Manitoba Finance
Special Operating Agencies Financing Authority

Annual Report
2002-2003

Manitoba

104-00462/

Manitoba Finance
Special Operating Agencies Financing Authority

Annual Report
2002-2003

Manitoba

MINISTER OF
FINANCE

Legislative Building
Winnipeg, Manitoba, CANADA
R3C 0V8

The Honourable Peter M. Liba, C.M.
Lieutenant Governor of Manitoba
Room 235, Legislative Building
Winnipeg, Manitoba
R3C 0V8

May It Please Your Honour:

I have the privilege of presenting for the information of Your Honour the Eleventh Annual Report of the Special Operating Agencies Financing Authority for the fiscal year ended March 31, 2003.

Respectfully submitted,

Honourable Greg Selinger
Minister

MINISTER OF
FINANCE

Legislative Building
Winnipeg, Manitoba, CANADA
R3C 0V8

À son Honneur
L'honorable Peter M. Liba, C.M.
Lieutenant-gouverneur du Manitoba
Palais législatif, bureau 235
Winnipeg (Manitoba) R3C OV8

Monsieur le Lieutenant-gouverneur,

J'ai le privilège de présenter à Votre Honneur, à titre d'information, le onzième rapport annuel de l'Office de financement des organismes de service spécial pour l'exercice terminé le 31 mars 2003.

Je vous prie d'agréer, Monsieur le Lieutenant-gouverneur, l'expression de mon profond respect.

Le ministre des Finances,

Greg Selinger

Manitoba

Finance

Treasury Board Secretariat

2nd Floor - 386 Broadway
Winnipeg, Manitoba
R3C 3R6

Honourable Greg Selinger
Minister of Finance
Room 103, Legislative Building
Winnipeg, Manitoba
R3C 0V8

Dear Mr. Minister:

I have the honour to submit for your consideration the Eleventh Annual Report of the Special Operating Agencies Financing Authority for the fiscal year ended March 31, 2003.

Respectfully submitted,

Wayne L. McIntosh
Acting Chairperson,
Special Operating Agencies Financing Authority

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The Special Operating Agencies Initiative

The Province of Manitoba adopted Special Operating Agencies (SOAs) as a program delivery and financing option in 1992. SOAs are service operations within government granted more direct responsibility for results and increased management flexibility needed to reach new levels of performance. Through strengthened accountability to their Minister and central government, they can improve the delivery of services by:

- ensuring operations are clearly defined and well understood;
- setting demanding performance goals and developing strategies for attaining them;
- applying the best public sector management practices; and
- monitoring performance to ensure continuous progress toward goals.

The aim of SOAs is to give greater authority and scope to managers and employees to encourage initiative, enhance service, and reduce the cost of government. Service and management improvements are built on pride in the capabilities and dedication of the professional Civil Service. The ultimate success of SOAs depends on people and the enthusiasm they bring to the job.

SOAs exist somewhere along an organizational continuum between a government department and a Crown corporation. Candidates can be direct public services, internal services to government, science and technology services, or regulatory and enforcement programs. In addition to accounting fully for their operations, they must be dedicated to improving service quality and efficiency.

SOAs are manifestations of the *New Public Management*, variations of which have proven successful at the federal level in Canada and abroad. Encouraged by these experiments, the development of SOAs in Manitoba is a matter of government policy, consistent with continuing alternative service delivery efforts.

L'initiative relative aux organismes de service spécial

En 1992, la province du Manitoba a adopté les organismes de service spécial (OSS) à titre d'option de financement et de prestation de programmes. Les OSS, qui assurent un soutien logistique au sein du gouvernement, ont des responsabilités plus directes en ce qui concerne les résultats et une plus grande souplesse de gestion nécessaire pour atteindre de nouveaux niveaux de rendement. Moyennant une responsabilité accrue à l'égard de leur Ministre et du gouvernement central, ils peuvent améliorer la prestation des services :

- en veillant à ce que les activités soient clairement définies et bien comprises ;
- en se fixant des objectifs de rendement élevés et en élaborant des stratégies pour les atteindre ;
- en appliquant les meilleures pratiques de gestion du secteur public ;
- en surveillant le rendement afin de garantir une progression continue vers les objectifs.

Les OSS ont pour but d'élargir le pouvoir et la portée des gestionnaires et des employés afin d'encourager l'initiative, d'améliorer les services et de réduire le coût de l'administration publique. L'amélioration des services et de la gestion repose sur la fierté des capacités et le dévouement d'une fonction publique professionnelle. Le succès des OSS dépend, en définitive, des personnes et de leur enthousiasme au travail.

Dans le continuum organisationnel, les OSS se situent quelque part entre les ministères et les sociétés d'État. Les candidats peuvent être des services publics directs, des services internes du gouvernement, des services scientifiques et technologiques ou des programmes de réglementation et d'application de la loi. En plus de rendre totalement compte de leurs activités, ils doivent constamment s'efforcer d'améliorer la qualité et l'efficacité du service.

Les OSS sont des manifestations de la *nouvelle gestion publique* dont des variantes se sont révélées fructueuses au palier fédéral au Canada et à l'étranger. Encouragé par ces expériences, le Manitoba a fait de la mise sur pied d'OSS une question de politique gouvernementale, conforme aux efforts continus visant à offrir d'autres solutions en matière de prestation de services.

The Fleet Vehicles Agency was established as the first SOA in Manitoba and at the provincial level in Canada. Within four years of establishment as a SOA, it served government transportation needs with 20% fewer vehicles, at 5% below market prices, for an estimated saving of close to $6 million. Building on this success, the complement of SOAs has reached seventeen, representing $125 million in business for government. The schedule of SOAs follows.

L'Organisme chargé des véhicules gouvernementaux a été le premier OSS créé au Manitoba et au palier provincial au Canada. Depuis sa création, il y a quatre ans, il a répondu aux besoins du gouvernement en matière de transport avec 20 % de moins de véhicules, à 5 % en dessous des prix du marché et en faisant réaliser des économies estimées à près de 6 millions de dollars. Fort de ce succès, le Manitoba compte maintenant 17 OSS qui représentent 125 millions de chiffre d'affaires pour le gouvernement. Voici l'ordre chronologique de création des OSS manitobains.

MANITOBA'S 17 SPECIAL OPERATING AGENCIES	LES 17 ORGANISMES DE SERVICE SPÉCIAL DU MANITOBA
1992/93 Fleet Vehicles Agency	**1992-1993** Organisme chargé des véhicules gouvernementaux
1993/94 Materials Distribution Agency	**1993-1994** Organisme chargé de la distribution du matériel
1994/95 Organization and Staff Development Vital Statistics Agency	**1994-1995** Organisme chargé du perfectionnement et de la formation Bureau de l'état civil
1995/96 Civil Legal Services MERLIN Land Management Services Pineland Forest Nursery	**1995-1996** Bureau du contentieux civil MERLIN Services de gestion foncière Pépinière de la forêt de Pineland
1996/97 Companies Office Manitoba Text Book Bureau Mail Management Agency Industrial Technology Centre The Public Trustee Office of the Fire Commissioner Food Development Centre	**1996-1997** Office des compagnies Centre des manuels scolaires du Manitoba Organisme de gestion du courrier Centre de technologie industrielle Curateur public Bureau du commissaire aux incendies Centre de développement des produits alimentaires
1997/98 The Property Registry	**1997-1998** Office d'enregistrement des titres et des instruments
1999/2000 Manitoba Securities Commission	**1999-2000** Commission des valeurs mobilières du Manitoba

The Province continues to refine the SOA concept. Additional agencies will be considered in future years based on priority and acceptability.

Other governments are looking increasingly to Manitoba's initiative as a model for their operations. SOAs are seen as a practical, enterprising response to the very difficult fiscal and service delivery challenges facing government today.

La province continue d'améliorer le concept des OSS. D'autres organismes seront envisagés dans les années à venir, selon les priorités et l'acceptabilité.

D'autres gouvernements étudient de plus en plus l'initiative du Manitoba afin de s'en inspirer. Les OSS sont considérés comme étant une réponse pratique et dynamique aux défis très délicats sur le plan financier et sur celui de la prestation de services que le gouvernement doit relever aujourd'hui.

The Special Operating Agencies Financing Authority

The SOA Financing Authority was established April 1, 1992 under authority of ***The Special Operating Agencies Financing Authority Act.*** The Financing Authority and its Chairperson operate under the direction of the Minister of Finance. Treasury Board acts as the primary decision-making body, while the Department of Finance and Treasury Board Secretariat supply staff support.

The Financing Authority provides a mechanism for funding SOAs outside the parameters of the Consolidated Fund. It holds and acquires assets associated with SOA operations and finances SOAs through contributed equity, repayable loans, and working capital advances. This financial framework enables SOAs to operate in a business-like way within government policy expectations.

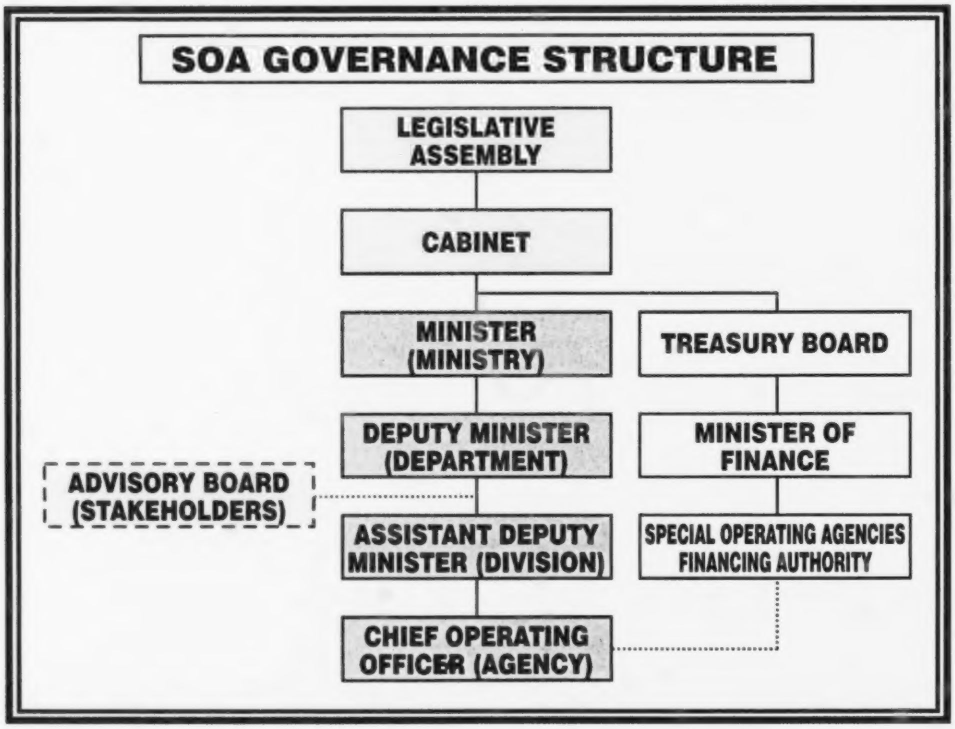
Each agency has an operating charter and management agreement that outline its individual governance and administrative arrangements. Accountability is assured through annual business plans, audits, and reports forwarded through its advisory board to the Financing Authority. In turn, the Financing Authority is audited and submits an annual report on overall SOA operations to the Minister of Finance for tabling in the Legislature. The governance structure is depicted below.

L'Office de financement des organismes de service spécial

L'Office de financement des OSS a été créé le 1er avril 1992 en vertu de la ***Loi sur l'Office de financement des organismes de service spécial.*** L'Office de financement et son président agissent sous la direction du ministre des Finances. Le Conseil du Trésor est le principal organe décisionnel, tandis que le ministère des Finances et le Secrétariat du Conseil du Trésor fournissent le personnel auxiliaire.

L'Office de financement permet de financer les OSS en dehors des paramètres du Fonds consolidé. Il détient et acquiert des actifs liés aux activités des OSS, qu'il finance par le biais de capitaux d'apport, de prêts remboursables et d'avances de fonds de roulement. Ce cadre financier permet aux OSS de fonctionner comme des entreprises tout en respectant les attentes politiques du gouvernement.

Chaque organisme a une charte et un accord de gestion qui exposent sa régie et les dispositions administratives le concernant. La responsabilité est assurée par des plans d'activités, des vérifications et des rapports annuels qui sont transmis à l'Office de financement par l'intermédiaire du conseil consultatif de chacun. L'Office de financement lui-même fait l'objet d'une vérification et remet un rapport annuel sur les activités globales des OSS au ministre des Finances, qui le déposera à l'Assemblée législative. La structure de régie est présentée ci-dessous.


SOA GOVERNANCE STRUCTURE
LEGISLATIVE ASSEMBLY
CABINET
MINISTER (MINISTRY)
TREASURY BOARD
DEPUTY MINISTER (DEPARTMENT)
MINISTER OF FINANCE
ADVISORY BOARD (STAKEHOLDERS)
ASSISTANT DEPUTY MINISTER (DIVISION)
SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
CHIEF OPERATING OFFICER (AGENCY)

The Chairperson of the Financing Authority is also the SOA Coordinator, who reports to the Secretary to Treasury Board. The mission is:

> *To provide corporate leadership, direction, and coordination of the Special Operating Agencies reform initiative, with a view to continuously improving the quality of management and services across the Manitoba Government.*

The position is responsible for coordinating the planning, design, implementation, and evaluation of SOAs.

A small percentage of the incumbent's time is devoted to the governance role as Chairperson and sole member comprising the Financing Authority. In this capacity, the incumbent oversees and manages the Financing Authority's affairs in compliance with statutory, policy, and management requirements. Much of this work concerns final approvals leading to start-up of new SOAs, as well as ongoing accountability requirements for established SOAs.

The Treasury Board Secretariat provides for the Chairperson's/Coordinator's basic salary, benefits, and operating costs in support of this corporate initiative. In addition, SOAs are assessed an annual levy to fund identifiable expenses associated with Financing Authority operations. The levy is prorated against the Financing Authority's annual budget based on each SOA's projected gross revenue.

Le président de l'Office de financement est également coordonnateur des OSS et il relève du Secrétariat du Conseil du Trésor. Il a pour mission de :

> *Fournir une orientation, une coordination et un leadership généraux dans l'initiative de réforme des organismes de service spécial, l'objectif étant de d'améliorer constamment la qualité de la gestion et des services dans tout le gouvernement du Manitoba.*

Le président est chargé de coordonner la planification, la conception, la mise en œuvre et l'évaluation des OSS.

Le titulaire consacre une petite partie de son temps au rôle de gestion en sa qualité de président et de membre unique de l'Office de financement. À ce titre, il supervise et gère les affaires de l'Office de financement conformément aux exigences réglementaires, politiques et de gestion. Une bonne partie de son travail concerne les approbations finales conduisant à la création de nouveaux OSS ainsi que les obligations redditionnelles des OSS existants.

Le Secrétariat du Conseil du Trésor fournit le salaire de base, les avantages sociaux et les coûts de fonctionnement du président/coordonnateur, en appui à cette initiative collective. De plus, une contribution annuelle est prélevée sur les OSS pour financer les dépenses identifiables liées aux activités de l'Office de financement. La contribution est calculée au prorata, par rapport au budget annuel de l'Office de financement, en se fondant sur le revenu brut prévisionnel des OSS.

2002/03 Operations

The operations of the Financing Authority for the fiscal year ended March 31, 2003 were limited to the operations and financial results of the seventeen SOAs. The auditors' opinions and related management reports are included with the agencies' financial statements as an appendix to this report.

Financial Highlights

- Increase of $2,873,000 (2002 - $1,296,000) in the balance of retained earnings to $32,925,000 (2002 - $30,052,000).
- Transfer of $11,845,800 (2002 - $12,545,000) in designated surpluses to the Consolidated Fund on behalf of the Fleet Vehicles Agency ($1,500,000), Materials Distribution Agency ($400,000), Vital Statistics Agency ($500,000), Civil Legal Services ($200,000), Land Management Services ($250,000), Companies Office ($1,000,000), The Property Registry ($2,495,800), and Manitoba Securities Commission ($5,500,000).
- Aggregate authority of up to $20,370,000 (2002 - $20,370,000) in working capital advances at any one time, $7,749,000 (2002 - $8,711,000) of which was utilized at fiscal year-end.
- Increase of $1,212,000 (2002 $4,810,000 - increase) in the balance of long-term debt to $15,134,000 (2002 - $13,922,000).

Preparations for New Agencies and Subsequent Events

During 2002/03, the Financing Authority did not arrange SOA status for any new agencies. Work with a few service operations within government continued into 2003/04.

Activités pendant l'exercice 2002-2003

Pendant l'exercice qui s'est terminé le 31 mars 2003, les activités de l'Office de financement se sont limitées aux activités et aux résultats financiers des dix-sept OSS. Les avis des vérificateurs et les rapports de gestion connexes sont joints aux états financiers des organismes en annexe au présent rapport.

Faits saillants financiers

- Augmentation de 2 873 000 $ (2002 – 1 296 000 $) du solde des bénéfices non répartis, qui passe à 32 925 000 $ (2002 – 30 052 000 $).
- Transfert de 11 845 800 $ (2002 – 12 545 000 $), à titre de surplus désignés, au Fonds consolidé, au nom de l'Organisme chargé des véhicules gouvernementaux (1 500 000 $), de l'Organisme chargé de la distribution du matériel (400 000 $), du Bureau de l'état civil (500 000 $), du Bureau du contentieux civil (200 000 $), des Services de gestion foncière (250 000 $), de l'Office des compagnies (1 000 000 $), de l'Office d'enregistrement des titres et des instruments (2 495 800 $) et de la Commission des valeurs mobilières du Manitoba (5 500 000 $).
- Pouvoir global de 20 370 000 $ (2002 – 20 370 000 $) en avances de fonds de roulement à tout moment, dont 7 749 000 $ (2002 – 8 711 000 $) avaient été utilisés à la fin de l'exercice.
- Augmentation de 1 212 000 $ (2002 – augmentation de 4 810 000 $) du solde des dettes à long terme, qui passent à 15 134 000 $ (2002 – 13 922 000 $).

Préparations pour de nouveaux organismes et des manifestations ultérieures

Durant l'exercice 2002-2003, l'Office de financement n'a organisé le statut d'OSS pour aucun nouvel organisme. Les travaux ont continué dans l'exercice 2003-2004 sur une liste restreinte.

Accomplishments

In the past year, the Acting Chairperson/Coordinator:

- examined the financial viability of a few service operations in departments to determine suitability for SOA Status.
- participated on the Steering Committee overseeing evaluation of The Manitoba Securities Commission;
- prepared and issued the 2001/02 Financing Authority annual report;
- undertook separate tendering processes to appoint public accounting firms as external auditors of the Fleet Vehicles Agency and The Property Registry for a five-year period commencing March 31, 2003;
- reviewed and advised on note changes proposed by external auditors to SOA financial statements; and
- reviewed draft reports prepared by Internal Audit and Consulting Services on SOA operations and advised on changes needed.

Réalisations

Au cours de l'année écoulée, le président/coordonnateur par intérim :

- a examiné la viabilité financière de quelques services au sein de ministères afin de déterminer s'ils répondent aux critères pour obtenir le statut d'OSS ;
- a participé au Comité directeur chargé de superviser l'évaluation de la Commission des valeurs mobilières du Manitoba ;
- a préparé et publié le rapport annuel 2001-2002 de l'Office de financement ;
- a entrepris des processus d'appels d'offres distincts dans le but de recruter les services de firmes d'experts-comptables à titre de vérificateurs externes de l'Organisme chargé des véhicules gouvernementaux et de l'Office d'enregistrement des titres et des instruments pour une période de cinq ans débutant le 31 mars 2003 ;
- a examiné les propositions faites par les vérificateurs externes de modifier les notes dans les états financiers des OSS et a donné son avis ;
- a étudié les rapports provisoires préparés par les Services de vérification interne et de consultation sur le fonctionnement des OSS et a donné son avis sur les changements à apporter.

2003/04 Plans

In the coming year, the Acting Chairperson/Coordinator will:

- examine the financial viability of service operations within departments for potential 2004/05 or subsequent start-up;
- prepare and issue the 2002/03 Financing Authority annual report; and
- undertake a tendering process to appoint a public accounting firm as external auditors of the Materials Distribution Agency for a five-year period commending March 31, 2004.

Plans pour l'exercice 2003-2004

Au cours de l'année à venir, le président/coordonnateur par intérim :

- examinera la viabilité financière de services au sein des ministères en vue d'une éventuelle mise en route en 2004-2005 ou plus tard ;
- préparera et publiera le rapport annuel 2002-2003 de l'Office de financement ;
- lancera un processus d'appels d'offres dans le but de nommer des vérificateurs externes au service de l'Organisme chargé de la distribution du matériel pour une période de cinq ans débutant le 31 mars 2004.

Agency Results through 2002/03

The following pages profile the operations and performance of the seventeen SOAs operating during the 2002/03 fiscal year. The agencies' 2002/03 annual reports should be consulted for further information.

The SOA balanced scorecard summarizes world-class outcomes in delivering services for Manitobans.

Combined financial results:

- 21% ($29 million) cost-savings to government in 2002/03
- 56% ($45 million) growth in revenues through 2002/03
- 259% ($74 million) growth in assets through 2002/03
- 99% ($10.8 million) repayment of original long-term debt owing to the Province through 2002/03
- 195% ($34 million) return on Manitoba's contributed equity through 2002/03
- $71 million in surpluses committed to the provincial treasury through 2003/04.

Private sector economic development:

- 1,758 employment opportunities through 2002/03
- $180 million impact on private sector salaries, sales, R&D, cost-savings, and investment through 2002/03.

Improved service (averaged across SOAs reporting relevant metrics):

- 98% on-time response to client requests in 2002/03
- 31% increase in service volume through 2002/03
- 122% increase in clientele through 2002/03
- 95% client/stakeholder satisfaction in 2002/03.

Résultats des organismes durant l'exercice 2002-2003

Les pages suivantes établissent le profil des activités et des résultats des dix-sept OSS opérationnels durant l'exercice 2002-2003. Pour plus de détails, veuillez consulter les rapports annuels des organismes pour l'exercice 2002-2003.

L'équilibre de la structure des OSS résume des résultats de tout premier ordre en ce qui concerne la prestation des services aux Manitobains.

Résultats financiers combinés :

- 21 % (29 millions de dollars) d'économies pour le gouvernement pendant l'exercice 2002-2003
- 56 % (45 millions de dollars) de croissance des recettes pendant l'exercice 2002-2003
- 259 % (74 millions de dollars) de croissance de l'actif pendant l'exercice 2002-2003
- 99 % (10,8 millions de dollars) de remboursement de la dette à long terme initiale à l'égard de la province pendant l'exercice 2002-2003
- 195 % (34 millions de dollars) de rendement sur le capital d'apport du Manitoba pendant l'exercice 2002-2003
- 71 millions de dollars d'excédents versés au Trésor provincial pendant l'exercice 2003-2004.

Développement économique du secteur privé :

- 1 758 possibilités d'emploi pendant l'exercice 2002-2003
- 180 millions de dollars en ventes, R-D, économies et investissements courants et futurs pendant l'exercice 2002-2003.

Amélioration du service (en moyenne des OSS qui transmettent les paramètres pertinents) :

- 98 % de ponctualité dans les réponses aux demandes de renseignements des clients pendant l'exercice 2002-2003
- 31 % d'augmentation du volume de services pendant l'exercice 2002-2003
- 122 % d'augmentation de la clientèle pendant l'exercice 2002-2003
- 95 % de satisfaction des clients et des personnes intéressées pendant l'exercice 2002-2003.

SOA OSS	Department Ministère	Contacts Personnes ressources	Designation Désignation	Mandate Mandat
Fleet Vehicles Agency	Transportation and Government Services	Dennis Ducharme Chief Operating Officer 626 Henry Avenue Winnipeg, MB R3A 1P7 (204) 945-3680 (204) 957-1109 (fax) dducharme@gov.mb.ca www.fva.gov.mb.ca French Language Services: Derek Boutang (204) 945-4326 deboutang@gov.mb.ca	April 1, 1992	To provide complete vehicle and equipment management services for the Manitoba Government and broader public sector.
Organisme chargé des véhicules gouvernementaux	Voirie et Services gouvernementaux	Dennis Ducharme Directeur général 626, avenue Henry Winnipeg (Manitoba) R3A 1P7 (204) 945-3680 (204) 957-1109 (télécopieur) dducharme@gov.mb.ca www.fva.gov.mb.ca Services en français : Derek Boutang (204) 945-4326 deboutang@gov.mb.ca	1er avril 1992	Fournir des services complets de gestion de l'équipement et des véhicules au gouvernement du Manitoba et au secteur public en général.
Materials Distribution Agency	Transportation and Government Services	Susan Boulter Chief Operating Officer 1680 Church Avenue Winnipeg, MB R2X 2W9 (204) 945-6043 (204) 948-2737 (fax) sboulter@gov.mb.ca French Language Services: Peter Roberts (204) 945-0391 proberts@gov.mb.ca	April 1, 1993	To provide complete materials management services for the Manitoba Government and broader public sector.
Organisme chargé de la distribution du matériel	Voirie et Services gouvernementaux	Susan Boulter Directrice générale 1680, avenue Church Winnipeg (Manitoba) R2X 2W9 (204) 945-6043 (204) 948-2737 (télécopieur) sboulter@gov.mb.ca Services en français : Peter Roberts (204) 945-0391 proberts@gov.mb.ca	1er avril 1993	Fournir des services complets de gestion du matériel au gouvernement du Manitoba et au secteur public en général.

Staff (FTE) Personnel (ETP)	2002/03 Financial Results ($000) Résultats financiers en 2002-2003 (en milliers de dollars)			Key Results through 2002/03 Principaux résultats obtenus au cours de l'exercice 2002-2003
		Actual Réels	Budget Budget	
50	Revenue	26,480	24,917	• 10% average annual return on revenue • $8.2 million long-term debt retired fifteen years ahead of schedule • 20% fewer vehicles in fleet by 1995, resulting in $5 million annual cost-saving • launched ambulance replacement and management program with 80 ambulances leased to Manitoba Health for use by the Regional Health Authorities • 39.7% lower than projected days sales in receivables in 2003. • >90% productivity on shop floor for maintenance and repairs • <1% client comeback rate • 100% client retention following conversion to optional services in 1996
	Expenses	(24,497)	(23,137)	
	Net Income (Loss)	1,983	1,780	
	Revenue Sharing	(1,500)	(1,500)	
	Retained Earnings	12,952	12,749	
50	Recettes	26 480	24 917	• 10 % de rendement moyen annuel sur les recettes • 8,2 millions de dollars de dettes à long terme remboursées avec 15 ans d'avance sur l'échéancier • 20 % de moins de véhicules dans le parc en 1995, soit une économie annuelle de 5 millions de dollars • lancement d'un programme de remplacement et de gestion des ambulances dont 80 ambulances louées à Santé Manitoba qui sont utilisées par les offices régionaux de la santé • 39,7 % de réduction du délai moyen prévu de règlement des comptes clients en 2003 • >90 % de productivité dans les ateliers pour l'entretien et les réparations • <1% des clients sont insatisfaits • 100 % des clients conservés après la conversion aux services facultatifs, en 1996
	Dépenses	(24 497)	(23 137)	
	Résultat net (Perte)	1 983	1 780	
	Partage des recettes	(1 500)	(1 500)	
	Bénéfices non répartis	12 952	12 749	
52	Revenue	21,071	15,400	• $732,200 original and $513,600 subsequent long-term debt retired six and three years ahead of schedule, respectively • $108,000 sales volume discounts for preferred clients in 2002/03 • 123% increase in public sector client base to 3,866 customers • 17,000 new public clients under Home Care Program since 1997 • 99% supply of in-stock items
	Expenses	(20,661)	(14,778)	
	Net Income (Loss)	410	622	
	Revenue Sharing	(400)	(400)	
	Retained Earnings	3,961	4,173	
52	Recettes	21 071	15 400	• 732 200 $ de dettes originales et 513600 $ de dettes ultérieures à long terme remboursées avec six et trois ans d'avance sur l'échéancier, respectivement • 108 000 $ d'escompte sur le volume de ventes aux clients privilégiés en 2002-2003 • 123 % d'augmentation de la clientèle du secteur public, qui passe à 3 866 clients • 17 000 nouveaux clients publics dans le cadre du Programme de soins à domicile depuis 1997 • 99 % de fourniture d'articles en stock
	Dépenses	(20 661)	(14 778)	
	Résultat net (Perte)	410	622	
	Partage des recettes	(400)	(400)	
	Bénéfices non répartis	3 961	4 173	

SOA OSS	Department Ministère	Contacts Personnes ressources	Designation Désignation	Mandate Mandat
Organization and Staff Development	Civil Service Commission	Herb Robertson Director 935 - 155 Carlton Street Winnipeg, MB R3C 3H8 (204) 945-4865 (204) 948-2165 (fax) hrobertson@gov.mb.ca www.gov.mb.ca/csc/osd French Language Services: Diane Netzel (204) 945-2276 dnetzel@gov.mb.ca	April 1, 1994	To provide training and consulting services that support implementation of corporate human resource priorities and that improve organization effectiveness in the Manitoba Government and broader public sector.
Organisme chargé du perfectionnement et de la formation	Commission de la fonction publique	Herb Robertson Directeur 155, rue Carlton, bureau 935 Winnipeg (Manitoba) R3C 3H8 (204) 945-4865 (204) 948-2165 (télécopieur) hrobertson@gov.mb.ca www.gov.mb.ca/csc/osd Services en français : Diane Netzel (204) 945-2276 dnetzel@gov.mb.ca	1er avril 1994	Fournir des services de formation et de conseils en appui à la mise en œuvre des priorités en matière de ressources humaines ministérielles et de façon à améliorer l'efficacité organisationnelle du gouvernement du Manitoba et du secteur public en général.
Vital Statistics Agency	Finance	Caroline Kaus Director 254 Portage Avenue Winnipeg, MB R3C 0B6 (204) 945-8178 (204) 945-0424 (fax) ckaus@gov.mb.ca French Language Services: Jocelyne R. Sarrasin (204) 945-5500 jsarrasin@gov.mb.ca	April 1, 1994	To register and issue certificates for all vital events occurring in Manitoba, including births, marriages, deaths, stillbirths, and changes of name.
Bureau de l'état civil	Finances	Caroline Kaus Directrice 254, avenue du Portage Winnipeg (Manitoba) R3C 0B6 (204) 945-8178 (204) 945-0424 (télécopieur) ckaus@gov.mb.ca Services en français : Jocelyne R. Sarrasin (204) 945-5500 jsarrasin@gov.mb.ca	1er avril 1994	Enregistrer et délivrer des certificats pour tous les événements démographiques qui surviennent au Manitoba, y compris les naissances, les mariages, les décès, les enfants morts-nés et les changements de nom.

Staff (FTE) Personnel (ETP)	2002/03 Financial Results ($000) Résultats financiers en 2002-2003 (en milliers de dollars)			Key Results through 2002/03 Principaux résultats obtenus au cours de l'exercice 2002-2003
		Actual Réels	Budget Budget	
7	Revenue	1,171	1,208	• Maintained 2001/02 levels of workshops • increase in external vendor partnerships, from 70% to 78% in 2002/03 • 20% decrease in participants in workshops and projects from 2001/02 • 7% decrease in delivery of in-organization consulting projects from 2001/02
	Expenses	(1,180)	(1,202)	
	Net Income (Loss)	(9)	6	
	Retained Earnings	373	388	
7	Recettes	1 171	1 208	• Maintien du nombre d'ateliers au niveau de 2001-2002 • Augmentation des partenariats avec les fournisseurs, qui passent de 70 % à 78 % des contrats en 2002-2003 • Baisse de 20 % du nombre de participants aux ateliers et aux projets par rapport à 2001-2002 • Baisse de 7 % du nombre de projets de consultation offerts au sein des organismes par rapport à 2001-2002
	Dépenses	(1 180)	(1 202)	
	Résultat net (Perte)	(9)	6	
	Bénéfices non répartis	373	388	
34.0	Revenue	2,693	2,630	• 98% immediate response to clients on status of service applications in 2003 • 100% conversion of irreplaceable vital events records to microfilm • November 2001 launch of six Commemorative Birth and Marriage Certificates
	Expenses	(2,498)	(2,363)	
	Net Income (Loss)	195	267	
	Revenue Sharing	(500)	(500)	
	Retained Earnings	632	704	
34,0	Recettes	2 693	2 630	• 98 % de réponses immédiates aux clients sur l'état des demandes de service en 2003 • 100 % de conversion sur microfilm des enregistrements des données de l'état civil irremplaçables • Novembre 2001 : lancement de six certificats de naissance et de mariage commémoratifs
	Dépenses	(2 498)	(2 363)	
	Résultat net (Perte)	195	267	
	Partage des recettes	(500)	(500)	
	Bénéfices non répartis	632	704	

SOA OSS	Department Ministère	Contacts Personnes ressources	Designation Désignation	Mandate Mandat
Civil Legal Services	Justice	Tom Hague Director 730 - 405 Broadway Winnipeg, MB R3C 3L6 (204) 945-2846 (204) 948-2041 (fax) thague@gov.mb.ca French Language Services: Denis Guénette (204) 945-5183 dguenette@gov.mb.ca	April 1, 1995	To provide legal services that meet the needs of the Manitoba Government and its agencies, boards, commissions, and Crown corporations.
Bureau du contentieux civil	Justice	Tom Hague Directeur 405 Broadway, bureau 730 Winnipeg (Manitoba) R3C 3L6 (204) 945-2846 (204) 948-2041 (télécopieur) thague@gov.mb.ca Services en français : Denis Guénette (204) 945-5183 dguenette@gov.mb.ca	1er avril 1995	Fournir des services juridiques qui répondent aux besoins du gouvernement du Manitoba et de ses organismes, conseils, commissions et sociétés de la Couronne.
Manitoba Education, Research and Learning Information Networks (MERLIN)	Energy, Science and Technology	Greg Baylis Chief Operating Officer Room 137 Education Building University of Manitoba Winnipeg, MB R3T 2N2 (204) 474-7811 (204) 474-7830 (fax) gbaylis@merlin.mb.ca www.merlin.mb.ca French Language Services: Colette Lafond-D'Heilly (204) 474-7805 cdheilly@merlin.mb.ca	April 1, 1995	To support the use of technology in improving education services to learners.
Les Réseaux informatiques en apprentissage et en recherche pédagogique du Manitoba (MERLIN)	Énergie, Sciences et Technologie	Greg Baylis Directeur général Édifice Éducation, bureau 137 Université du Manitoba Winnipeg (Manitoba) R3T 2N2 (204) 474-7811 (204) 474-7830 (télécopieur) gbaylis@merlin.mb.ca www.merlin.mb.ca Services en français : Colette Lafond-D'Heilly (204) 474-7805 cdheilly@merlin.mb.ca	1er avril 1995	Appuyer l'utilisation de la technologie dans le but d'améliorer les services offerts aux apprenants en matière d'éducation.

Staff (FTE) Personnel (ETP)	2002/03 Financial Results ($000) Résultats financiers en 2002-2003 (en milliers de dollars)			Key Results through 2002/03 Principaux résultats obtenus au cours de l'exercice 2002-2003
		Actual Réels	Budget Budget	
57	Revenue	4,795	4,855	• $4.8 million cost-saving to government in 2003
	Expenses	(4,432)	(4,801)	• 97% client satisfaction rating in 2003
	Net Income (Loss)	363	54	
	Revenue Sharing	(200)	(200)	
	Retained Earnings	768	459	
57	Recettes	4 795	4 855	• 4,8 millions de dollars d'économies pour le gouvernement en 2003
	Dépenses	(4 432)	(4 801)	• 97 % de satisfaction de la clientèle en 2003
	Résultat net (Perte)	363	54	
	Partage des recettes	(200)	(200)	
	Bénéfices non répartis	768	459	
16	Revenue	4,118	2,810	• $360,762 cost-saving to education sector for audio conferencing and software licensing in 2002/03
	Expenses	(4,058)	(2,810)	
	Net Income (Loss)	60	-	
	Accumulated Deficit	(334)	(394)	
16	Recettes	4 118	2 810	• 360 782 $ d'économies pour le secteur de l'éducation pour les conférences téléphoniques et les permis d'utilisation de logiciels en 2002-2003
	Dépenses	(4 058)	(2 810)	
	Résultat net (Perte)	60	-	
	Déficit accumulé	(334)	(394)	

SOA OSS	Department Ministère	Contacts Personnes ressources	Designation Désignation	Mandate Mandat
Land Management Services	Transportation and Government Services	Rae Csversko Chief Operating Officer 308 – 25 Tupper Street North Portage la Prairie, MB R1N 3K1 (204) 239-3561 (204) 239-3560 (fax) rcsversko@gov.mb.ca www.landmgmt.gov.mb.ca French Language Services: Annette Lesage (204) 239-3510 alesage@gov.mb.ca	April 1, 1995	To provide comprehensive land management services to various levels of governments, departments, boards, corporations, agencies and clients.
Services de gestion foncière	Voirie et Services gouvernementaux	Rae Csversko Directeur général 25, rue Tupper nord, bureau 308 Portage la Prairie (Manitoba) R1N 3K1 (204) 239-3561 (204) 239-3560 (télécopieur) rcsversko@gov.mb.ca www.landmgmt.gov.mb.ca Services en français : Annette Lesage (204) 239-3510 alesage@gov.mb.ca	1er avril 1995	Fournir à divers paliers de gouvernement (ministères, commissions, corporations, organismes et clients) des services de gestion foncière complets.
Pineland Forest Nursery	Conservation	Trevor Stanley A/Chief Executive Officer Box 45 Hadashville, MB R0E 0X0 (204) 426-5235 (204) 426-2106 (fax) tstanley@gov.mb.ca www.pinelandforestnursery.com French Language Services: Gail Cielen (204) 945-4170 gcielen@gov.mb.ca	April 1, 1995	To provide the highest quality integrated seedling growing and related services to forest sector clients in Canada and the United States.
Pépinière de la forêt Pineland	Conservation	Trevor Stanley Directeur général par intérim Boite 45 Hadashville (Manitoba) R0E 0X0 (204) 426-5235 (204) 426-2106 (télécopieur) tstanley@gov.mb.ca www.pinelandforestnursery.com Services en français : Gail Cielen (204) 945-4170 gcielen@gov.mb.ca	1er avril 1995	Fournir constamment des services de croissance de semis intégrés et autres services connexes de qualité supérieure aux clients du secteur forestier se trouvant au Canada et aux États-Unis.

Staff (FTE) Personnel (ETP)	2002/03 Financial Results ($000) Résultats financiers en 2002-2003 (en milliers de dollars)			Key Results through 2002/03 Principaux résultats obtenus au cours de l'exercice 2002-2003
		Actual Réels	Budget Budget	
27	Revenue	1,976	2,083	• $9.7 million annualized cost-saving in grants-in-lieu of taxes from assessment reviews, with $6.4 million in refunds and $193 million in tax assessment reduction • $5.2 million new revenue from sale or lease of surplus government land and buildings • $2.1 million price break on market rates
	Expenses	(2,297)	(2,312)	
	Net Income (Loss)	(321)	(229)	
	Revenue Sharing	(250)	(250)	
	Retained Earnings	304	396	
27	Recettes	1 976	2 083	• 9,7 millions de dollars d'économies annualisées en subventions tenant lieu de taxes provenant de l'examen d'évaluations, et 6,4 millions de dollars de remboursements et 193 millions de dollars de réduction sur les avis d'imposition • 5,2 millions de dollars de nouvelles recettes tirées de la vente ou de la location à bail de terres et d'édifices publics excédentaires • 2,1 millions de dollars de réduction par rapport aux taux du marché
	Dépenses	(2 297)	(2 312)	
	Résultat net (Perte)	(321)	(229)	
	Partage des recettes	(250)	(250)	
	Bénéfices non répartis	304	396	
35,4	Revenue	2,873	2,912	• 200% increase in private sector revenue • 69% increase in production capacity to 22 million seedlings • 171% increase in number of clients to 19 • 1,000% increase in seed processing • 101% achievement of targets • 99% achievement of quality standards
	Expenses	(3,035)	(2,971)	
	Net Income (Loss)	(162)	(59)	
	Retained Earnings	588	691	
35,4	Recettes	2 873	2 912	• 200 % d'augmentation de recettes provenant du secteur privé • 69 % d'augmentation de la capacité de production, qui est portée à 22 millions de semis • 171 % d'augmentation du nombre de clients, qui passe à 19 • 1 000 % d'augmentation dans le traitement des semences • 101 % de réussite par rapport aux objectifs • 99 % de réussite par rapport aux normes de qualité
	Dépenses	(3 035)	(2 971)	
	Résultat net (Perte)	(162)	(59)	
	Bénéfices non répartis	588	691	

SOA OSS	Department Ministère	Contacts Personnes ressources	Designation Désignation	Mandate Mandat
Companies Office	Finance	Myron Pawlowsky Chief Operating Officer 1010 - 405 Broadway Winnipeg, MB R3C 3L6 (204) 945-4206 (204) 945-1459 (fax) mpawlowsky@gov.mb.ca www.gov.mb.ca/finance/cca/comp_off/index.html French Language Services: Lorraine Lagimodiere (204) 945-2500 companies@gov.mb.ca	April 1, 1996	To register and search the names of all businesses and corporations operating in Manitoba.
Office des compagnies	Finances	Myron Pawlowsky Directeur général 405 Broadway, bureau 1010 Winnipeg (Manitoba) R3C 3L6 (204) 945-4206 (204) 945-1459 (télécopieur) mpawlowsky@gov.mb.ca www.gov.mb.ca/finance/cca/comp_off/index.html Services en français : Lorraine Lagimodiere (204) 945-2500 companies@gov.mb.ca	1er avril 1996	Enregistrer et chercher le nom de toutes les entreprises et sociétés travaillant au Manitoba.
Manitoba Text Book Bureau	Education and Youth	Lanny Kingerski Chief Operating Officer 130 - 1st Avenue West P.O. Box 910 Souris, MB R0X 2C0 (204) 483-5035 (204) 483-5041 (fax) lkingerski@gov.mb.ca www.mtbb.mb.ca French Language Services: Paulette Campbell (204) 483-5034 paucampbel@gov.mb.ca	April 1, 1996	To provide Manitoba schools with cost-effective educational learning resources and related products recommended by the Department of Education and Youth.
Centre des manuels scolaires du Manitoba	Éducation et Jeunesse	Lanny Kingerski Directeur général 130, 1re Avenue ouest B.P 910 Souris (Manitoba) R0X 2C0 (204) 483-5035 (204) 483-5041 (télécopieur) lkingerski@gov.mb.ca www.mtbb.mb.ca Services en français : Paulette Campbell (204) 483-5034 paucampbel@gov.mb.ca	1er avril 1996	Fournir aux écoles du Manitoba, et à un coût économique, des ressources éducatives et des produits connexes recommandés par le ministère de l'Éducation et de la Jeunesse.

Staff (FTE) Personnel (ETP)	2002/03 Financial Results ($000) Résultats financiers en 2002-2003 (en milliers de dollars)	Actual Réels	Budget Budget	Key Results through 2002/03 Principaux résultats obtenus au cours de l'exercice 2002-2003
28	Revenue	4,662	4,105	• 4% increase in client on-line information searches • 93% client satisfaction rating in 2002 • 95% client satisfaction with personal telephone services in 2002 • 47% decrease in average service cycle time from 1998
	Expenses	(3,449)	(3,734)	
	Net Income (Loss)	1,213	371	
	Revenue Sharing	(1,000)	(1,000)	
	Retained Earnings	1,722	877	
28	Recettes	4 662	4 105	• 4 % d'augmentation du nombre de recherches de renseignements par des clients en ligne • 93 % de satisfaction de la clientèle en 2002 • 95 % de satisfaction de la clientèle en ce qui concerne les services personnels par téléphone en 2002 • 47 % de réduction dans la durée moyenne du cycle de service par rapport à 1998
	Dépenses	(3 449)	(3 734)	
	Résultat net (Perte)	1 213	371	
	Partage des recettes	(1 000)	(1 000)	
	Bénéfices non répartis	1 722	877	
8.42	Revenue	7,558	8,310	• $587,263 cost-saving to government through full cost accounting, and bulk purchasing of learning resources in 2002/03 • 27.9% increase in sales • Reduced percentage of operating costs to sales by 15%. • >98% of stock orders filled correctly
	Expenses	(7,543)	(8,301)	
	Net Income (Loss)	15	9	
	Retained Earnings	126	120	
8,42	Recettes	7 558	8 310	• 587 263 $ d'économies pour le gouvernement grâce à la capitalisation du coût complet et à l'achat en gros de ressources éducatives en 2002-2003 • 27,9 % d'augmentation des ventes • Réduction de 15 % du pourcentage des coûts d'exploitation par rapport aux ventes • >98 % des commandes de marchandises classées correctement
	Dépenses	(7 543)	(8 301)	
	Résultat net (Perte)	15	9	
	Bénéfices non répartis	126	120	

SOA OSS	Department Ministère	Contacts Personnes ressources	Designation Désignation	Mandate Mandat
Mail Management Agency	Transportation and Government Services	Greg Bowers A/Chief Operating Officer Lower Level, 200 Vaughan Street Winnipeg, MB R3C 1T5 (204) 945-4668 (204) 945-5753 (fax) gbowers@gov.mb.ca French Language Services: Angele Saaghy (204) 945-1173 asaaghy@gov.mb.ca	April 1, 1996	To provide centralized mail services to the Manitoba Government and broader public sector, enabling clients to expedite their products, information, and correspondence through the most appropriate distribution channels.
Organisme de gestion du courrier	Voirie et Services gouvernementaux	Greg Bowes Directeur général par intérim 200, rue Vaughan, niveau inférieur Winnipeg (Manitoba) R3C 1T5 (204) 945-4668 (204) 945-5753 (télécopieur) gbowers@gov.mb.ca Services en français : Angele Saaghy (204) 945-1173 asaaghy@gov.mb.ca	1er avril 1996	Fournir des services de courrier centralisés au gouvernement du Manitoba et au secteur public en général, afin de permettre aux clients d'expédier leurs produits, leur information et leur correspondance par les réseaux de distribution les plus appropriés.
Industrial Technology Centre	Energy, Science and Technology	Trevor Cornell Chief Operating Officer 1329 Niakwa Road East Winnipeg, MB R2J 3T4 (204) 945-6126 (204) 945-1784 (fax) tcornell@itc.mb.ca www.itc.mb.ca French Language Services: Trevor Cornell (above)	April 1, 1996	To provide a wide range of technical services to business, industry, and government in support of technology-based economic development in Manitoba.
Centre de technologie industrielle	Énergie, Sciences et Technologie	Trevor Cornell Directeur général 1329, chemin Niakwa est Winnipeg (Manitoba) R2J 3T4 (204) 945-6126 (204) 945-1784 (télécopieur) tcornell@itc.mb.ca www.itc.mb.ca Services en français : Trevor Cornell (ci-dessus)	1er avril 1996	Fournir toute une gamme de services techniques aux entreprises, à l'industrie et au gouvernement, en appui à un développement économique du Manitoba fondé sur la technologie.

Staff (FTE) Personnel (ETP)	2002/03 Financial Results ($000) Résultats financiers en 2002-2003 (en milliers de dollars)			Key Results through 2002/03 Principaux résultats obtenus au cours de l'exercice 2002-2003
		Actual Réels	Budget Budget	
24.05	Revenue Expenses Net Income (Loss) Retained Earnings	6,574 (6,609) (35) 255	6,118 (6,118) - 290	• $750,000 cost-saving from courier contract administration • $125,000 cost-saving from ad-mail incentive mailings • $240,000 cost-saving to Agency clients under the 2002 interdepartmental mail stamp system • >99% on-time completion of mail processing activities • 99% on-time completion of mail finishing projects
24,05	Recettes Dépenses Résultat net (Perte) Bénéfices non répartis	6 574 (6 609) (35) 255	6 118 (6 118) - 290	• 750 000 $ d'économies dans la gestion du contrat de messagerie • 125 000 $ d'économies dans les envois postaux publicitaires • 240 000 $ d'économies pour la clientèle de l'organisme grâce au système d'affranchissement interministériel en 2002 • >99 % d'exécution ponctuelle des activités de traitement du courrier • 99 % d'exécution ponctuelle des projets de finition du courrier
28.4	Revenue Expenses Net Income (Loss) Retained Earnings	2,548 (2,543) 5 1,207	2,708 (2,708) - 1,202	• 36% increase in fee-for-service revenue • 34% reduction in funding under departmental contribution agreement • 97% customer satisfaction in 2002/03 • 31 new jobs created in private sector in 2002/03 • 1,223 jobs saved/maintained in private sector in 2002/03 • $163 million economic development impact in private sector salaries, sales, R&D, cost-savings, and investment since inception as an SOA.
28,4	Recettes Dépenses Résultat net (Perte) Bénéfices non répartis	2 548 (2 543) 5 1 207	2 708 (2 708) - 1 202	• 36 % d'augmentation des recettes tirées de la rémunération des services • 34 % de réduction du financement dans le cadre de l'accord de contribution ministériel • 97 % de satisfaction de la clientèle en 2002-2003 • 31 nouveaux emplois créés dans le secteur privé en 2002-2003 • 1 223 emplois sauvés/maintenus dans le secteur privé en 2002-2003 • 163 millions de dollars de retombées économiques sur le secteur privé sous forme de salaires, de ventes, de R-D, d'économies et d'investissements depuis l'obtention du statut d'OSS.

SOA OSS	Department Ministère	Contacts Personnes ressources	Designation Désignation	Mandate Mandat
The Public Trustee	Justice	Anne Bolton Public Trustee 13th Floor, 405 Broadway Winnipeg, MB R3C 3L6 (204) 945-2703 (204) 948-2251 (fax) abolton@gov.mb.ca French Language Services: Suzanne Lavallee (204) 945-8411 slavallee@gov.mb.ca	April 1, 1996	To provide professional and cost-effective trustee services of last resort that meet client needs and protect the interests of Manitobans.
Le curateur public	Justice	Anne Bolton Curatrice publique 405 Broadway, 13e étage Winnipeg (Manitoba) R3C 3L6 (204) 945-2703 (204) 948-2251 (télécopieur) abolton@gov.mb.ca Services en français : Suzanne Lavallee (204) 945-8411 slavallee@gov.mb.ca	1er avril 1996	Fournir des services de curateur de dernier recours, professionnels et rentables, qui répondent aux besoins des clients et protègent les intérêts des Manitobains.
Office of the Fire Commissioner	Labour and Immigration	Doug Popowich Fire Commissioner c/o 508 - 401 York Avenue Winnipeg, MB R3C 0P8 (204) 945-3322 / 726-6855 (204) 948-2089 (fax) dpopowich@gov.mb.ca French Language Services: Roger Brunet (204) 945-1285 rbrunet@gov.mb.ca	April 1, 1996	To safeguard persons and property in Manitoba from fire and life safety hazards through education, investigation, emergency response, and code application.
Bureau du commissaire aux incendies	Travail et Immigration	Doug Popowich Commissaire aux incendies a.b.s. 401, avenue York, bureau 508 Winnipeg (Manitoba) R3C 0P8 (204) 945-3322 / 726-6855 (204) 948-2089 (télécopieur) dpopowich@gov.mb.ca Services en français : Roger Brunet (204) 945-1285 rbrunet@gov.mb.ca	1er avril 1996	Protéger les biens et les personnes au Manitoba contre les incendies et les dangers posés à la sécurité des personnes, en éduquant le public, en procédant à des enquêtes, en intervenant en cas d'urgence et en appliquant les codes en vigueur.

Staff (FTE) Personnel (ETP)	2002/03 Financial Results ($000) Résultats financiers en 2002-2003 (en milliers de dollars)			Key Results through 2002/03 Principaux résultats obtenus au cours de l'exercice 2002-2003
		Actual Réels	Budget Budget	
76.28	Revenue	4,679	4,817	• fees restructured for cost recovery in 2002/03 • 88% stakeholder satisfaction rating in 2002/03
	Expenses	(4,884)	(5,007)	
	Net Income (Loss)	(205)	(190)	
	Retained Earnings/ Reserves	668	683	
76.28	Recettes	4 679	4 817	• Restructuration des frais de recouvrement des coûts en 2002-2003 • 88 % de satisfaction des parties intéressées en 2002-2003
	Dépenses	(4 884)	(5 007)	
	Résultat net (Perte)	(205)	(190)	
	Bénéfices non répartis/réserves	668	683	
58	Revenue	7,585	5,713	• $3 billion estimated saving in property loss in 2002 due to fire containment and suppression • 22% increase in tuition and contract revenues in 2002/03 • 78% of fires investigated in 2002 resulted in determination of cause • 15% increase in Fires Prevention Fund Levy revenue in 2002/03 • 37% increase in permit, plan review and per capita revenue in 2002/03 • recovery of $187,953 in 2002/03 for water bomber costs incurred during Firedale emergency response in May 2002 • 23% reduction in operating supply costs in 2002/03 • 29 emergency responses attended in 2002/03, utilizing 3,065 staff hours • 4237 people taking courses through the Manitoba Emergency Services College in 2002/03 • overall 90% satisfaction rate for Public Fire Paramedic Program and individual Manitoba Emergency Services College courses in 2002/03
	Expenses	(7,045)	(6,941)	
	Net Income (Loss)	540	(1,228)	
	Revenue Sharing	-	-	
	Accumulated Deficit	(463)	(2,231)	
58	Recettes	7 585	5 713	• 3 milliards de dollars (estimation) d'économies en pertes matérielles grâce au confinement et à l'extinction d'incendies en 2002 • 22 % d'augmentation des recettes tirées de cours et de contrats en 2002-2003 • 78 % des enquêtes menées ont permis de déterminer la cause des incendies en 2002 • augmentation de 15 % des recettes provenant de la taxe de prévention des incendies en 2002-2003 • augmentation de 37 % des recettes provenant des permis et de l'examen de plans, ainsi que des recettes par habitant, en 2002-2003 • récupération en 2002-2003 de 187 953 $ en frais engagés pour des bombardiers à eau lors de l'intervention d'urgence à Firedale en mai 2002 • réduction de 23 % des coûts du matériel de fonctionnement en 2002-2003 • participation à 29 interventions d'urgence en 2002-2003 et utilisation de 3 065 heures-personnes • 4 237 inscriptions aux cours offerts par le Manitoba Emergency Services College en 2002-2003 • taux de satisfaction global de 90% pour le Public Fire Paramedic Program et pour les cours individuels au Manitoba Emergency Services College en 2002-2003
	Dépenses	(7 045)	(6 941)	
	Résultat net (Perte)	(540)	(1 228)	
	Partage des recettes	-	-	
	Déficit accumulé	(463)	(2 231)	

SOA OSS	Department Ministère	Contacts Personnes ressources	Designation Désignation	Mandate Mandat
Food Development Centre	Agriculture and Food	Dave Donaghy Chief Executive Officer c/o 810 Phillips Street Portage la Prairie, MB R1N 3J9 (204) 945-3736 (204) 945-5218 (fax) ddonaghy@gov.mb.ca www.fdc.mb.ca French Language Services: Alphonsus Utioh (204) 239-3179 autioh@fdc.mb.ca	April 1, 1996	To provide leading-edge technical leadership in a proactive manner, in the creation, expansion, and diversification of the agri-food industry within Manitoba, which will generate wealth for Manitoba and Manitobans.
Centre de développement des produits alimentaires	Agriculture et Alimentation	Dave Donaghy Directeur général a.b.s. 810, rue Phillips Portage la Prairie (Manitoba) R1N 3J9 (204) 945-3736 (204) 945-5218 (télécopieur) ddonaghy@gov.mb.ca www.fdc.mb.ca Services en français: Alphonsus Utioh (204) 239-3179 autioh@fdc.mb.ca	1er avril 1996	Fournir un leadership technique de pointe de manière proactive, dans la création, l'expansion et la diversification de l'industrie agro-alimentaire au Manitoba, ce qui créera des richesses pour la province et ses habitants.
The Property Registry	Finance	Rick Wilson Registrar General 14th Floor, 405 Broadway Winnipeg, MB R3C 3L6 (204) 945-2243 (204) 948-3276 (fax) rmwilson@gov.mb.ca www.gov.mb.ca/cca/landtitl.html www.gov.mb.ca/cca/personp.html French Language Services: Guy Bilodeau (204) 945-6241 gbilodeau@gov.mb.ca Lee Crierie (204) 945-2042 Elizabeth Sims (204) 476-2106 esims@gov.mb.ca	April 1, 1997	To maintain land records, issue certifications of titles to land, and provide the public with reliable information on financial interests in personal property in Manitoba.
Office d'enregistrement des titres et des instruments	Finances	Rick Wilson Registraire général 405 Broadway, 14e étage Winnipeg (Manitoba) R3C 3L6 (204) 945-2243 (204) 948-3276 (télécopieur) rmwilson@gov.mb.ca www.gov.mb.ca/cca/landtitl.html www.gov.mb.ca/cca/personp.html Services en français : Guy Bilodeau (204) 945-6241 gbilodeau@gov.mb.ca Lee Crierie (204) 945-2042 Elizabeth Sims (204) 476-2106 esims@gov.mb.ca	1er avril 1997	Tenir à jour les documents relatifs aux terres, délivrer des certificats de titre de bien-fonds et fournir au public des renseignements fiables sur les intérêts financiers relatifs aux biens personnels au Manitoba.

Staff (FTE) Personnel (ETP)	2002/03 Financial Results ($000) Résultats financiers en 2002-2003 (en milliers de dollars)	Actual Réels	Budget Budget	Key Results through 2002/03 Principaux résultats obtenus au cours de l'exercice 2002-2003
17	Revenue	1,774	2,228	• 156 new employment opportunities created in private sector • 17 million increase in the province's GDP • 93% client satisfaction rating in 1999 • 103 new products developed since 1998 • 2037 individuals trained since 1998
	Expenses	(1,718)	(2,228)	
	Net Income (Loss)	56	-	
	Retained Earnings	101	45	
17	Recettes	1 774	2 228	• 156 possibilités d'emploi créées dans le secteur privé • 17 millions de dollars d'augmentation du produit intérieur brut de la province 93 % de satisfaction de la clientèle en 1999 • 103 nouveaux produits mis au point depuis 1998 • 2 037 personnes formées depuis 1998
	Dépenses	(1 718)	(2 228)	
	Résultat net (Perte)	56	-	
	Bénéfices non répartis	101	(45)	
151	Revenue	16,453	14,668	• same day turn around on Personal Property Registry printed registrations compared to benchmark of five days • 95% hit rate on electronic searches in Winnipeg Land Titles Office • less than two day average turn around for rural land title registrations compared to benchmark of three days • 100% preservation of land certificates of title on microfilm • survey plan registrations averaging three days to completion compared to benchmark of seven days. • less than two day turnaround for electronic registration in regional offices compared to benchmark of three days • less than four day turnaround for electronic registration in Winnipeg Land Titles office compared to benchmark of five days
	Expenses	(11,131)	(13,126)	
	Net Income (Loss)	5,322	1,542	
	Revenue Sharing	(2,496)	(2,300)	
	Retained Earnings	6,759	3,175	
151	Recettes	16 453	14 668	• service circulaire le jour même pour les enregistrements imprimés au Bureau d'enregistrement relatif aux biens personnels (par rapport au délai de référence de cinq jours) • 95 % de succès dans les recherches électroniques au Bureau des titres fonciers de Winnipeg • service circulaire en moins de deux jours en moyenne pour les enregistrements de titres fonciers ruraux (par rapport au délai de référence de trois jours) • 100 % de préservation des certificats de titre foncier sur microfilm • enregistrement de plans d'arpentage effectué dans les trois jours environ (par rapport au délai de référence de sept jours) • service circulaire en moins de deux jours pour les enregistrements électroniques dans les bureaux régionaux (par rapport au délai de référence de trois jours) • service circulaire en moins de quatre jours pour les enregistrements électroniques au Bureau des titres fonciers de Winnipeg (par rapport au délai de référence de cinq jours)
	Dépenses	(11 131)	(13 126)	
	Résultat net (Perte)	5 322	1 542	
	Partage des recettes	(2 496)	(2 300)	
	Bénéfices non répartis	6 759	3 175	

SOA OSS	Department Ministère	Contacts Personnes ressources	Designation Désignation	Mandate Mandat
Manitoba Securities Commission	Finance	Don Murray Chairman 1130 - 405 Broadway Winnipeg, MB R3C 3L6 (204) 945-2548 (204) 945-0330 (fax) dmurray@gov.mb.ca French Language Services: Teresa Sigurdson (204) 945-2548 tsigurdson@gov.mb.ca	April 1, 1999	To act in the public interest to protect Manitoba investors and to facilitate dynamic and competitive capital and real estate markets that contribute to the economic development of Manitoba while fostering public confidence in those markets.
Commission des valeurs mobilières du Manitoba	Finances	Don Murray Président 405 Broadway, bureau 1130 Winnipeg (Manitoba) R3C 3L6 (204) 945-2548 (204) 945-0330 (télécopieur) dmurray@gov.mb.ca Services en français : Teresa Sigurdson (204) 945-2548 tsigurdson@gov.mb.ca	1er avril 1999	Agir pour le bien commun en protégeant les investisseurs manitobains et en favorisant le dynamisme et la compétitivité des marchés financiers et des marchés des valeurs mobilières qui contribuent au développement économique du Manitoba, tout en stimulant la confiance du public envers ces marchés.

Staff (FTE) Personnel (ETP)	2002/03 Financial Results ($000) Résultats financiers en 2002-2003 (en milliers de dollars			Key Results through 2002/03 Principaux résultats obtenus au cours de l'exercice 2002-2003
		Actual Réels	Budget Budget	
34	Revenue	8,576	6,140	• 11% increase in net earnings over 2001/02 • 19% volume increase in filings processed • 27% increase in hits on web site in 2002/03 • $122,000 in cost savings in 2002/03 • $751,000 increase in revenues over 2001/02 due to implementation of new National Registration Database
	Expenses	(3,196)	(3,330)	
	Net Income (Loss)	5,380	2,810	
	Revenue Sharing	(5,500)	(5,500)	
	Retained Earnings/ Reserves	4,299	1,729	
34	Recettes	8 576	6 140	• 11 % d'augmentation des bénéfices nets par rapport à 2001-2002 • 19 % d'augmentation du volume de dossiers classés • 27 % d'augmentation du nombre d'interrogations du site Web en 2002-2003 • 122 000 $ en économies en 2002-2003 • 751 000 $ d'augmentation des recettes par rapport à 2001-2002 en raison de la mise en œuvre de nouvelle base de données d'inscription nationale
	Dépenses	(3 196)	(3 330)	
	Résultat net (Perte)	5 380	2 810	
	Partage des recettes	(5 500)	(5 500)	
	Bénéfices non répartis/réserves	4 299	1 729	

Special Operating Agencies Financing Authority

Financial Statements

March 31, 2003

Management Report

The accompanying financial statements are the responsibility of the management of the Special Operating Agencies Financing Authority and have been prepared in accordance with Canadian generally accepted accounting principles. In management's opinion, the financial statements have been properly prepared within reasonable limits of materiality, incorporating management's best judgement regarding all necessary estimates and all other data available up to July 22, 2003.

Management maintains internal controls to properly safeguard the Financing Authority's assets, to provide reasonable assurance that the books and records from which the financial statements are derived accurately reflect all transactions and that established policies and procedures are followed.

The responsibility of the Office of the Auditor General is to express an independent opinion on whether the financial statements of the Financing Authority are fairly presented in accordance with Canadian generally accepted accounting principles. The Auditors' Report outlines the scope of the audit examination and provides the audit opinion.

On behalf of Management,

Wayne L. McIntosh
Acting Chairperson,
Special Operating Agencies Financing Authority

July 22, 2003

Office of the Auditor General

500 - 330 Portage Avenue
Winnipeg, Manitoba
CANADA R3C 0C4

AUDITORS' REPORT

To the Legislative Assembly of Manitoba
To the Member of the Special Operating Agencies Financing Authority

We have audited the combined balance sheet of the Special Operating Agencies Financing Authority at March 31, 2003 and the combined statements of income and retained earnings and cash flows for the year then ended. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these combined financial statements present fairly, in all material respects, the financial position of the Authority as at March 31, 2003 and results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Office of the Auditor General

Office of the Auditor General

Winnipeg, Manitoba
July 22, 2003

Special Operating Agencies Financing Authority
Province of Manitoba
Combined Balance Sheet
(in thousands)

Year Ended March 31	2003	2002
Assets		
Current:		
Cash	$5,921	$6,636
Restricted cash for expansion (Note 3)	3,509	-
Term deposits with the Minister of Finance	16,343	13,588
Customer deposits	1,161	1,249
Accounts receivable (Note 4)	10,032	9,512
Inventories	4,769	4,106
Prepaid expenses	2,168	1,758
	43,903	36,849
Trust assets	10	10
Restricted deposits (Note 6)	1,000	905
Capital assets (Note 5)	52,631	50,864
Receivable from the Province of Manitoba (Note 7)	5,102	5,102
	$102,646	$93,730
Liabilities		
Current:		
Working capital advances (Note 8)	$7,749	$8,711
Accounts payable and accruals	10,728	10,895
Unearned revenue	2,959	2,053
Current portion - capital lease obligations (Note 11)	58	22
Current portion - long-term debt (Note 10)	5,253	4,799
	26,747	26,480
Trust liabilities	10	10
Unearned revenue	889	-
Deferred contributions (Note 9)	3,351	-
Capital lease obligations (Note 11)	138	64
Long-term debt – Province of Manitoba (Note 10)	15,134	13,922
Severance liability (Note 13)	4,291	4,136
	50,560	44,612
Equity (Note 14)		
Contributed equity	17,661	17,661
Reserve funds (Note 15)	1,500	1,405
Retained earnings	32,925	30,052
	52,086	49,118
	$102,646	$93,730
Commitments (Note 16)		

See accompanying notes to the financial statements.

Special Operating Agencies Financing Authority
Province of Manitoba
Combined Statement of Income and Retained Earnings
(in thousands)

Year Ended March 31	2003	2002
Special Operating Agencies Financing Authority		
Revenue		
Annual levy	$11	$15
Treasury Board Secretariat/Finance contribution	98	86
	109	101
Expenses		
Salaries and benefits	82	68
Other operating	23	35
	105	103
Financing Authority operations	4	(2)
Special Operating Agency operations – net income (loss)		
Civil Legal Services	363	170
Companies Office	1,213	1,862
Fleet Vehicles Agency	1,983	2,925
Food Development Centre	56	75
Industrial Technology Centre	5	40
Land Management Services	(321)	152
Mail Management Agency	(35)	(198)
MERLIN	60	(44)
Manitoba Securities Commission	5,380	4,828
Manitoba Text Book Bureau	15	29
Materials Distribution Agency	410	504
Office of the Fire Commissioner	540	(293)
Organization and Staff Development	(9)	122
Pineland Forest Nursery	(162)	63
The Property Registry	5,322	3,814
The Public Trustee	(205)	(42)
Vital Statistics Agency	195	71
Net income for the year	14,814	14,076
Retained earnings, beginning of year	30,052	28,756
Transfer of surplus funds to the Province of Manitoba		
Civil Legal Services	(200)	-
Companies Office	(1,000)	(1,960)
Fleet Vehicles Agency	(1,500)	(1,100)
Land Management Services	(250)	(250)
Manitoba Securities Commission	(5,500)	(5,500)
Materials Distribution Agency	(400)	(400)
The Property Registry	(2,496)	(3,100)
Vital Statistics Agency	(500)	(235)
Reserve fund – Manitoba Securities Commission (Note 15)	(95)	(235)
Retained earnings, end of year	$32,925	$30,052

See accompanying notes to the financial statements.

Special Operating Agencies Financing Authority
Province of Manitoba
Combined Statement of Cash Flows
(in thousands)

Year Ended March 31	2003	2002
Cash derived from (applied to):		
Operating		
Net income	$14,814	$14,076
Amortization	10,659	9,661
Gain on disposal of capital assets	(921)	(730)
	24,552	23,007
Change in:		
Customer deposit accounts	88	22
Accounts receivable	(520)	1,796
Inventories	(663)	1,067
Prepaid expenses	(410)	(228)
Accounts payable and accruals	(170)	(8,170)
Severance liability	155	220
Unearned revenue	1,795	47
Cash derived from operating activities	24,827	17,761
Investing		
Increase in restricted short-term deposits	(95)	(235)
Proceeds from disposal of capital assets	1,904	1,517
Acquisition of capital assets	(13,406)	(17,336)
Cash applied to investing activities	(11,597)	(16,054)
Financing		
Proceeds from long-term debt	6,550	9,950
Long-term debt repayments	(4,884)	(4,668)
Capital lease obligations	110	58
Transfer of surplus funds	(11,846)	(12,545)
Change in deferred contributions	3,351	-
Cash applied to financing activities	(6,719)	(7,205)
Increase (decrease) in cash	6,511	(5,498)
Cash and cash equivalents:		
Beginning of year	11,513	17,011
End of year	$18,024	$11,513
Represented by:		
Cash	$ 5,921	$ 6,636
Term deposits with the Minister of Finance	16,343	13,588
Restricted cash for expansion (Note 3)	3,509	-
Working capital advances	(7,749)	(8,711)
	$18,024	$11,513

See accompanying notes to the financial statements.

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1. Nature of organization

The Special Operating Agencies Financing Authority (the "Financing Authority") is a body corporate established effective April 1, 1992 under ***The Special Operating Agencies Financing Authority Act***. Under the direction of the Minister of Finance, the Financing Authority consists of the Chairperson as its sole member and receives staff support from the Department of Finance.

The Financing Authority provides a mechanism for funding Special Operating Agencies (SOAs) that operate outside the Consolidated Fund. It functions as a non-operating holding company, with the mandate to hold and acquire assets required for and resulting from SOA operations. It finances SOAs through contributed equity, repayable loans, and working capital advances. This financial framework enables SOAs to operate in a business-like manner within government policy expectations.

SOAs are designated by regulation under the Act and operate under a charter approved by the Lieutenant Governor in Council. A management agreement between the Financing Authority and the Minister responsible for each SOA assigns responsibility to the agency to manage and account for SOA-related assets and operations on behalf of the Financing Authority. SOAs remain accountable to their Minister for the results they achieve with the authority and resources granted.

The Financing Authority is economically dependent on the Province of Manitoba. Currently, the Financing Authority derives most of its revenue and all of its capital financing requirements from the Province.

SOAs in operation during the fiscal year ended March 31, 2003 were as follows:

Civil Legal Services, Department of Justice
Companies Office, Department of Finance
Fleet Vehicles Agency, Department of Transportation and Government Services
Food Development Centre, Department of Agriculture and Food
Industrial Technology Centre, Department of Energy, Science and Technology
Land Management Services, Department of Transportation and Government Services
Mail Management Agency, Department of Transportation and Government Services
Manitoba Education, Research and Learning Information Networks (MERLIN), Department of Energy, Science and Technology
Manitoba Securities Commission, Department of Finance
Manitoba Text Book Bureau, Department of Education and Youth
Materials Distribution Agency, Department of Transportation and Government Services
Office of the Fire Commissioner, Department of Labour and Immigration
Organization and Staff Development, Civil Service Commission
Pineland Forest Nursery, Department of Conservation
The Property Registry, Department of Finance
The Public Trustee, Department of Justice
Vital Statistics Agency, Department of Finance.

Special Operating Agencies Financing Authority
Province of Manitoba
Notes to Financial Statements
(In Thousands)

March 31, 2003

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2. Significant accounting policies

The financial statements of the Financing Authority are presented in accordance with Canadian generally accepted accounting principles.

Basis of reporting

The financial statements of the Financing Authority reflect the financial position and operating results of SOAs currently governed by management agreements with the Financing Authority. These statements are presented on a combined basis. Therefore, inter-agency balances and transactions have not been eliminated.

The following policies apply to the Financing Authority, as well as to all agencies combined herein.

Amortization of capital assets

Vehicles, fire engines	30%, declining balance
Vehicles (signed lease agreement)	straight line over term of lease
Equipment and furniture	20 - 33%, straight line 20%, declining balance
Computer equipment and software	20%, straight line
Rental equipment (Materials Distribution Agency)	2, 3, or 5 years, straight line
Buildings	5 - 40 years, straight line
Practical training site (Office of the Fire Commissioner)	20 years, straight line
Leasehold improvements	3 - 10 years, straight line
Other assets	3 years, straight line

Inventories

Inventories are valued at the lower of cost and market value.

Financial instruments

The carrying amounts of the current assets and liabilities are reasonable estimates of their fair value because of the short-term maturity of these instruments.

Administrative expenses paid by the Province of Manitoba

The Treasury Board contribution covers salaries and benefits and certain operating expenses, paid by the Province of Manitoba on behalf of the Financing Authority.

Use of estimates

In the preparation of the Financing Authority's financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and reported amounts of revenue and expenses during the period. Actual amounts could differ from these estimates.

Special Operating Agencies Financing Authority
Province of Manitoba
Notes to Financial Statements
(In Thousands)

March 31, 2003

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3. Restricted cash for expansion

In April 2002 the Food Development Centre received approval for an $11 million expansion funded by the Federal and Provincial governments.

The expansion will be completed during the March 31, 2005 year-end. As at March 31, 2003 $3,509 has been contributed by the Federal government and is being held on deposit with the Minister of Finance, to be used for the completion of this project.

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4. Accounts receivable

	2003	2002
Trade	$ 9,570	$ 9,026
Insurance agency rebate	355	271
Other	107	215
	$10,032	$ 9,512

The trade receivables are mostly due from the Province of Manitoba.

The insurance agency rebate is for discounts receivable by the Fleet Vehicles Agency from the Manitoba Public Insurance Corporation based on favourable claims experience for the Province's vehicle fleet in the previous insurance year.

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5. Capital assets

			2003	2002
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Vehicles, fire engines	$69,482	$30,955	$38,527	$36,848
Equipment and furniture	10,653	6,460	4,193	3,692
Computer equipment and software	4,554	3,067	1,487	1,775
Buildings	7,929	2,712	5,217	5,491
Practical training site	1,935	475	1,460	1,521
Leasehold improvements	1,633	895	738	587
Other assets	2,197	1,188	1,009	950
	$98,383	$45,752	$52,631	$50,864

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6. Restricted deposits

The Manitoba Securities Commission maintains separate short-term deposits with the Province of Manitoba to fund revenue fluctuations and to respond to unforeseen events that cannot reasonably be budgeted for within the annual business planning process.

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7. Receivable from the Province of Manitoba

The receivable from the Province of Manitoba is for vacation entitlements earned by the employees of certain agencies prior to their designation as SOAs. It also includes severance pay benefits earned by SOA employees to March 31, 1998, as well as the benefits accumulated by the employees of the Manitoba Securities Commission prior to March 31, 1999. The balance is comprised of:

	2003	2002
Vacation entitlements	$1,766	$1,766
Severance pay benefits	3,336	3,336
	$5,102	$5,102

The receivable or portion thereof, for an individual SOA will be collected in the event that there is a cash shortfall. However, this is only likely to happen on the dissolution of an SOA.

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8. Working capital advances

The Minister of Finance, with Lieutenant-Governor-in-Council approval by Orders in Council 747/1992, 242/1994, 152/1995, 151/1996, 136/1997, 168/1998, and 129/2000, has arranged for working capital advances to be available to the Financing Authority. The aggregate of the outstanding advances is not to exceed $20,370 (2002 - $20,370) at any one time. As at March 31, 2003, $12,621 (2002 - $11,659) of these advances was unused and available.

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9. Deferred contributions

Funds received prior to March 31, 2003 by the Food Development Centre from the Federal government related to the expansion of an existing facility are recorded as deferred contributions. These amounts will be taken into income to match the amortization of the expansion.

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10. Long-term debt - Province of Manitoba

		2003	2002
5.5%	repayable in semi-annual instalments of $289 principal and interest, maturing in 2002	$ -	$ 282
5.875%	repayable in semi-annual instalments of $316 principal and interest, maturing in 2003	-	604
5.5%	repayable in semi-annual instalments of $232 principal and interest, maturing in 2004	444	866
6%	repayable in semi-annual instalments of $141 principal and interest, maturing in 2004	269	523
9%	repayable in annual instalments of $55 principal and interest, maturing in 2005	98	141
6.875%	repayable in semi-annual instalments of $408 principal and interest, maturing in 2005	1,499	2,176
6.625%	repayable in semi-annual instalments of $167 principal and interest, maturing in 2005	757	1,027
5.75%	repayable in semi-annual instalments of $495 principal and interest, maturing in 2006	2,693	3,493
5.375%	repayable in semi-annual instalments of $121 principal and interest, maturing in 2006	764	957
4.75%	repayable in semi-annual instalments of $243 principal and interest, maturing in 2006	1,550	1,948
5.625%	repayable in semi-annual instalments of $174 principal and interest, maturing in 2007	1,232	1,500
4.25%	repayable in semi-annual instalments of $179 principal and interest, maturing in 2007	1,455	-
4.75%	repayable in semi-annual instalments of $397 principal and interest, maturing in 2008	3,500	-

10. Long-term debt - Province of Manitoba (continued)

6.425%	repayable in semi-annual instalments of $146 principal and interest, maturing in 2009	1,434	1,624
5.25%	repayable in semi-annual instalments of $159 principal and interest, maturing in 2009	1,736	1,955
5.625%	repayable in semi-annual instalments of $134 principal and interest, maturing in 2009	1,446	1,625
5.125%	repayable in semi-annual instalments of $123 principal and interest, maturing in 2010	1,510	-
		20,387	18,721
Amount due within one year		5,253	4,799
		$15,134	$13,922

Principal repayments in each of the next five years are as follows:

2004	$5,253
2005	4,799
2006	4,022
2007	2,698
2008	1,933

As at March 31, 2003, the Financing Authority had $3,100 remaining in loan authority under ***The Loan Act, 2002***. ***The Loan Act, 2003*** is pending Legislative approval. The original loan authority under each of these Acts is:

	The Loan Act, 2003	***The Loan Act, 2002***
for Fleet Vehicles Agency	$4,000	$9,650
for Food Development Centre	2,400	3,800

11. Capital lease obligations

The Mail Management Agency and the Property Registry have obligations of $153 and $43 respectively under capital leases. The agreements carry various terms and conditions.

The estimated minimum lease payments which includes principal and interest under the capital lease obligations for equipment are as follows:

2004	$61
2005	61
2006	48
2007	30
	200
Less: imputed interest	4
	196
Less: current portion	58
	$138

12. Pension benefits

Employees of SOAs are eligible for pension benefits in accordance with the provisions of the Civil Service Superannuation Act, administered by the Civil Service Superannuation Board (CSSB).

Prior to April 1, 2001, only the Industrial Technology Centre and the Food Development Centre matched their employees' current contributions to the CSSB and had no additional liability under the Act.

Effective March 31, 2001, pursuant to an agreement with the Province of Manitoba, the remaining SOAs transferred to the Province the pension liability for their employees.

Commencing April 1, 2001, the SOAs were required to pay to the Province an amount equal to their employees' current pension contributions.

13. Severance liability

Effective April 1, 1998, SOAs began recording accumulated severance pay benefits for their employees. The estimate of the liability was based on the method of calculation set by the Province of Manitoba.

The Province accepted responsibility for the severance benefits accumulated by SOA employees to March 31, 1998, as well as for the benefits accumulated by employees of the Manitoba Securities Commission to March 31, 1999. Accordingly, the opening severance pay liability balances as at April 1, 1998 calculated at $3,511 and as at April 1, 1999 calculated at $135 were completely offset by a receivable from the Province.

An actuarial valuation report of the severance liability of SOAs was completed as at March 31, 2000. The recorded liability as at March 31, 2000 was restated to $3,676, and the receivable from the Province was restated to $3,336 as a result of the actuarial valuation. There was no effect on the severance benefit expense for the year ended March 31, 2000. The report provides a formula to update the liability on an

13. Severance liability (continued)

annual basis. In accordance with the formula, the actuarial liability of SOAs has been calculated to be $4,291 as at March 31, 2003.

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14. Equity

Contributed equity	2003	2002
Fleet Vehicles Agency	$ 4,118	$ 4,118
Industrial Technology Centre	62	62
Mail Management Agency	51	51
Manitoba Text Book Bureau	549	549
Materials Distribution Agency	1,246	1,246
Office of the Fire Commissioner	11,279	11,279
Pineland Forest Nursery	356	356
	$17,661	$17,661

Retained earnings	2003	2002
Civil Legal Services	$768	$605
Companies Office	1,722	1,509
Fleet Vehicles Agency	12,952	12,469
Food Development Centre	101	45
Industrial Technology Centre	1,207	1,202
Land Management Services	304	875
Mail Management Agency	255	290
MERLIN	(334)	(394)
Manitoba Securities Commission	3,299	3,514
Manitoba Text Book Bureau	126	111
Materials Distribution Agency	3,961	3,951
Office of the Fire Commissioner	(463)	(1,003)
Organization and Staff Development	373	382
Pineland Forest Nursery	588	750
The Property Registry	6,759	3,933
The Public Trustee	668	873
Vital Statistics Agency	632	937
Financing Authority	7	3
	$32,925	$30,052

15. Reserve funds

The Public Trustee

The Public Trustee has allocated a reserve out of retained earnings to provide for short-term fluctuations in revenue due to changes in revenue patterns or extraordinary expenses. The balance of the reserve at March 31, 2003 is $500 (2002 - $500).

Manitoba Securities Commission

The Manitoba Securities Commission has allocated a reserve out of retained earnings to provide for extraordinary regulatory expenses and changes in market activity affecting revenue. The intent is to fund the reserve over four years to an accumulated balance of $1,000. The balance of the reserve at March 31, 2003 is $1,000 (2002 - $905).

16. Commitments

Commitments for SOAs with building lease agreements at March 31, 2003 total $9,900 (2002 - $5,592). Estimated minimum lease payments for each of the next five years are as follows:

2004	$1,950
2005	1,544
2006	1,389
2007	1,383
2008	1,370

Other commitments entered into by SOAs are as follows:

Manitoba Text Book Bureau	Provision of warehousing and distribution services	$376
Office of the Fire Commissioner	Vehicle lease agreements	562
The Property Registry	Equipment lease agreements	371
		$1,309

17. Estates and trusts under administration

The Public Trustee has statutory responsibility for administering clients' estates and trusts. The client assets under administration at March 31, 2003 total approximately $168,000 (2002 - $163,000). The trust activities of The Public Trustee are reported in separate audited financial statements for Estates and Trusts under Administration

18. Public sector compensation

No employee of the Financing Authority received compensation of $50 or more during the year ended March 31, 2003.

Compensation information for each SOA is disclosed in the notes to their audited financial statements.

19. Comparative figures

Comparative figures for the year ended March 31, 2002 have been restated, where appropriate, to conform to the presentation adopted for March 31, 2003.

APPENDIX

Agency Financial Statements

- Fleet Vehicles Agency
- Materials Distribution Agency
- Organization and Staff Development
- Vital Statistics Agency
- Civil Legal Services
- Manitoba Education, Research and Learning Information Networks
- Land Management Services
- Pineland Forest Nursery
- Companies Office
- Manitoba Text Book Bureau
- Mail Management Agency
- Industrial Technology Centre
- The Public Trustee of Manitoba
- Office of the Fire Commissioner
- Food Development Centre
- The Property Registry
- Manitoba Securities Commission

Fleet Vehicles Agency
An Agency of the Special Operating Agencies Financing Authority
Province of Manitoba
Financial Statements

(In Thousands)

March 31, 2003

Grant Thornton

FLEET
VEHICLES AGENCY

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Statement of Cash Flows	4
Notes to the Financial Statements	5-11
Schedule of Other Revenue and Expenses	12
Responsibility for Financial Reporting	13

Grant Thornton

Grant Thornton LLP
Chartered Accountants
Management Consultants

Auditors' Report

To the
Special Operating Agencies Financing Authority

We have audited the balance sheet of **Fleet Vehicles Agency, an Agency of the Special Operating Agencies Financing Authority, Province of Manitoba** as at March 31, 2003 and the statements of earnings, retained earnings and cash flows for the year then ended. These financial statements are the responsibility of the Agency's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Agency as at March 31, 2003, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Grant Thornton LLP

Winnipeg, Canada
May 12, 2003

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Fleet Vehicles Agency
An Agency of the
Special Operating Agencies Financing Authority
Province of Manitoba

Statements of Earnings and Retained Earnings

(In Thousands)

Year Ended March 31		2003		2002
Revenue				
Vehicle leases	$	23,866	$	22,304
Gain on disposal of vehicles and equipment, net		894		842
Interest income		10		11
Other revenue (Page 12)		1,710		1,799
		26,480		24,956
Expenses				
Salaries		1,999		1,958
Vehicle operating expenses (Page 12)		20,055		17,806
Administrative expenses (Page 12)		1,340		1,284
Community service		28		32
Interest expense		1,075		951
		24,497		22,031
Net earnings	$	1,983	$	2,925
Retained earnings, beginning of year	$	12,469	$	10,644
Net earnings		1,983		2,925
Revenue sharing to the Consolidated Fund		(1,500)		(1,100)
Retained earnings, end of year	$	12,952	$	12,469

See accompanying notes to the financial statements.

Fleet Vehicles Agency
An Agency of the
Special Operating Agencies Financing Authority
Province of Manitoba
Balance Sheet

(In Thousands)

March 31	2003	2002
Assets		
Current		
Receivables (Note 3)	$ 1,800	$ 2,463
Inventories	69	61
Prepaids	1,538	1,216
	3,407	3,740
Capital assets (Note 4)	39,063	37,319
Receivable from the Province of Manitoba		
Severance pay benefits (Note 5)	194	194
	$ 42,664	$ 41,253
Liabilities		
Current		
Working capital payable, net of cash (Note 6)	$ 2,773	$ 3,909
Payables and accruals	887	1,092
Revenue sharing to the Consolidated Fund for the current year	375	350
Unearned revenue	980	474
Current portion of long-term debt	5,206	4,756
	10,221	10,581
Long-term debt (Note 7)	15,083	13,824
Severance pay liability (Note 5)	290	261
	25,594	24,666
Equity		
Contributed equity (Note 8)	4,118	4,118
Retained earnings	12,952	12,469
	17,070	16,587
	$ 42,664	$ 41,253

Commitments (Note 9)

See accompanying notes to the financial statements.

Fleet Vehicles Agency
An Agency of the
Special Operating Agencies Financing Authority
Province of Manitoba
Statement of Cash Flows

(In Thousands)

Year Ended March 31	2003	2002
Increase (decrease) in cash and cash equivalents		
Operating		
Net earnings	$ 1,983	$ 2,925
Amortization	7,851	7,127
Gain on disposal of vehicles and equipment, net	(894)	(842)
Increase in severance pay liability	29	29
Payment of severance pay benefits		(32)
	8,969	9,207
Change in		
Receivables	663	(604)
Inventories	(8)	7
Prepaids	(322)	(16)
Payables and accruals	(205)	(644)
Revenue sharing to the Consolidated Fund for the current year	25	(150)
Unearned revenue	506	62
	9,628	7,862
Investing		
Proceeds from disposal of vehicles and equipment	2,064	1,517
Acquisition of vehicles	(10,600)	(14,813)
Acquisition of office, shop and computer equipment	(106)	(119)
Acquisition of leasehold improvements	(59)	(97)
	(8,701)	(13,512)
Financing		
Proceeds from Loan Act Authority drawdowns	6,550	9,950
Long-term debt repayments	(4,841)	(4,629)
Revenue sharing to the Consolidated Fund	(1,500)	(1,100)
	209	4,221
Net increase (decrease) in cash and cash equivalents	1,136	(1,429)
Working capital payable, net of cash and cash equivalents		
Beginning of year	(3,909)	(2,480)
End of year	$ (2,773)	$ (3,909)

See accompanying notes to the financial statements.

1. Nature of organization

In 1934, Fleet Vehicles was created as a branch of the Manitoba Provincial Government to provide a centralized fleet management program. It was established to achieve economies of scale and to lower overall fleet costs to government.

Effective April 1, 1992, the Fleet Vehicles branch was designated as a Special Operating Agency under The Special Operating Agencies Financing Authority Act, Cap. S185, C.C.S.M., and operates under a charter approved by the Lieutenant Governor in Council.

The Agency is financed through the Special Operating Agencies Financing Authority (SOAFA). SOAFA has the mandate to hold and acquire assets required for and resulting from Agency operations. It finances the Agency through repayable loans and working capital advances. This financial framework enables the Agency to operate in a business-like manner according to public policy expectations.

A 1992 Management Agreement between SOAFA and the then Minister of Government Services assigns responsibility to the Agency to manage and account for the Agency-related assets and operations on behalf of SOAFA.

Fleet Vehicles Agency continues to be part of Manitoba Government Services under the general direction of the Assistant Deputy Minister, Supply and Services Division, and ultimately the policy direction of the Deputy Minister and the Minister of Transportation and Government Services.

Fleet Vehicles Agency remains bound by relevant legislation and regulations. It is also bound by administrative policy except where specific exemptions have been provided in its charter in order to meet business objectives.

Fleet Vehicles Agency is economically dependent on The Government of Manitoba, as it derives most of its revenue and all of its capital financing requirements from the Province.

2. Significant accounting policies

Basis of reporting

The financial statements of the Agency are presented in accordance with Canadian generally accepted accounting principles.

Cash and cash equivalents

Cash and cash equivalents include cash on hand and balances with banks, net of bank overdrafts and short term investments with original maturities of six months or less. Bank borrowings are considered to be financing activities.

Inventories

Inventories are valued at the lower of cost and market value.

Capital assets

Rates and bases of amortization applied to write off the cost less estimated salvage value of capital assets over their estimated lives are as follows:

Vehicles	30%, declining balance
Vehicles (signed lease agreement)	straight line over term of lease
Office and shop equipment	20%, declining balance
Computer software and equipment	20%, straight line
Leasehold improvements	10%, straight line

Pension

Employees of the Agency are eligible for pension benefits in accordance with the provisions of the Civil Service Superannuation Act, administered by the Civil Service Superannuation Board.

Effective March 31, 2001, pursuant to an agreement with the Province of Manitoba, the Agency transferred the pension liability for its employees to the Province. During the 2002 fiscal year, in accordance with the terms of the agreement, the Agency transferred to the Province funds equal to the net assets required to discharge its pension obligations as of March 31, 2001. Commencing April 1, 2001, the Agency began making regular payments to the Province in amounts equal to its employees' current pension contributions.

As of March 31, 2003, the Agency has discharged its pension obligations and has no outstanding liability.

Use of estimates

In preparing the Agency's financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the period. Actual results could differ from these estimates.

Fleet Vehicles Agency
An Agency of the
Special Operating Agencies Financing Authority
Province of Manitoba
Notes to the Financial Statements
(In Thousands)
March 31, 2003

2. Significant accounting policies (continued)

Financial instruments

The Agency's financial instruments consist of accounts receivable, accounts payable and long-term debt. Unless otherwise noted, it is management's opinion that the Agency is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximate their carrying values, unless otherwise noted.

3. Receivables

	2003	2002
Trade	$ 742	$ 1,461
Accrued trade	703	731
Insurance agency rebate receivable	355	271
	$ 1,800	$ 2,463

4. Capital assets

	Cost	Accumulated Amortization	2003 Net Book Value	2002 Net Book Value
Vehicles	$ 68,819	$ 30,390	$ 38,429	$ 36,706
Office, shop and computer equipment	1,119	789	330	312
Leasehold improvements	589	285	304	301
	$ 70,527	$ 31,464	$ 39,063	$ 37,319

5. Severance pay liability

Effective April 1, 1998, the Agency commenced recording accumulated severance pay benefits for its employees. Severance pay is determined by multiplying years of service, to a maximum of 15 years, by the weekly salary at date of retirement, provided the employee has reached nine years of service and retires from the Agency. Effective April 2000, there is also additional severance pay for employees with 20 or more years of accumulated service. The estimate is based upon the method of calculation set by the Province of Manitoba.

The Province has accepted responsibility for the severance benefits accumulated by the Agency's employees to March 31, 1998. That responsibility is currently reflected by a $194 receivable from the Province.

The receivable from the Province will only be collected, in whole or in part, in the event there is a cash shortfall in the Agency. It is probable, therefore, that collection will only occur on the dissolution of the Agency.

An actuarial valuation report from February 2001 provides a formula to update the liability on an annual basis. In accordance with the formula, the Agency's liability is recalculated annually, with payments to retiring employees no longer with the Agency or the Province charged against the liability.

6. Working capital payable

The Agency has an authorized line of working capital advances of $4,000, $2,795 of which was used as of March 31, 2003 (2002: $3,992).

Fleet Vehicles Agency
An Agency of the
Special Operating Agencies Financing Authority
Province of Manitoba
Notes to the Financial Statements
(In Thousands)
March 31, 2003

7. Long-term debt

Loan Act Authority is repayable in semi-annual instalments of principal and interest, as follows:

Interest Rate	Instalment Amount	Maturity Date	**2003**	2002
			Principal Balance Owing	
5 ½%	$ 289	September 30, 2002	**$**	$ 282
5 ⅞%	316	March 31, 2003		604
5 ½%	232	March 31, 2004	**444**	866
6%	141	March 31, 2004	**269**	523
6 ⅞%	408	March 31, 2005	**1,499**	2,176
6 ⅝%	167	September 30, 2005	**757**	1,027
5 ¾%	495	March 31, 2006	**2,693**	3,493
5 ⅜%	121	September 30, 2006	**764**	957
4 ¾%	243	September 30, 2006	**1,550**	1,948
5 ⅝%	174	March 31, 2007	**1,232**	1,500
4 ¼%	179	September 30, 2007	**1,455**	
4 ¾%	397	March 31, 2008	**3,500**	
6.425%	146	March 31, 2009	**1,434**	1,624
5 ¼%	159	September 30, 2009	**1,736**	1,955
5 ⅝%	134	September 30, 2009	**1,446**	1,625
5 ⅛%	123	September 30, 2010	**1,510**	
Total principal owing as of March 31			**20,289**	18,580
Amount due within one year			**5,206**	4,756
Long-term debt as of March 31			**$ 15,083**	$ 13,824

By virtue of the Management Agreement, the Agency is responsible for the repayment of debts assumed by the Special Operating Agencies Financing Authority (SOAFA) on its behalf. SOAFA holds the debt instruments listed above on behalf of Fleet Vehicles Agency.

Unused loan authority of $3,400 was available as of March 31, 2002. An additional $6,250 was approved during 2002/2003, for a total available loan authority of $9,650. Following the draw down of $6,550 during the year, there is $3,100 in unused loan authority remaining, $1,000 special from The Loan Act, 2000 and $2,100 regular to be used towards the purchase of trucks, vans and sedans.

As of March 31, 2003, principal repayments in each of the next five years are as follows:

2004	$ 5,206
2005	4,748
2006	4,022
2007	2,698
2008	1,933

8. Contributed equity

The Special Operating Agencies Financing Authority (SOAFA) and The Government of Manitoba entered into a Transfer Agreement in connection with the transfer from the Government to SOAFA of assets valued at $12,353 required for the continuing operations of Fleet Vehicles Agency as of March 31, 1992. The Agency has repaid the debt portion in the amount of $8,235 (2/3 of the value of the assets) and has recorded the balance of $4,118 (1/3 of the value of the assets) as the Government's equity in SOAFA relating to the Agency's operations.

9. Commitments

(a) Pursuant to a Memorandum of Understanding dated May 31, 1996, the Agency entered into a lease agreement with The Government of Manitoba through Manitoba Government Services for the rental of the facilities at 626 Henry Avenue, Winnipeg, Manitoba. Occupancy charges for each fiscal year including 2003/04 are established annually based on the approved budget for the Department of Transportation and Government Services. Occupancy charges for 2003/04 are estimated at $425 for the year, to be paid in semi-annual instalments in July 2003 and January 2004.

(b) The Agency's approved 2003/04 Business Plan calls for $1,500 in revenue sharing to be paid in quarterly instalments to the Consolidated Fund during 2003/04.

10. Consolidation with Operations of Radio Services

Effective April 1, 2003, the Radio Services Program within the Desktop, Telecommunications and Network Services Branch of the Department of Transportation and Government Services was transferred to the Agency.

The Program operates on a full cost recovery basis and currently has nine employees. Operations for 2003/04 are projected with revenues of $1,148 completely offset by costs and expenses. Valuations for inventory, equipment and other assets have not yet been finalized, nor have all liabilities been determined. The Agency's management estimates that the net assets of Radio Services transferred to the Agency as of April 1, 2003, do not exceed $150.

11. Requirements of The Public Sector Compensation Disclosure Act

Pursuant to Section 2(1) of the Act, the following employees of Fleet Vehicles Agency received compensation, directly or indirectly, of $50 or more in the fiscal year ended March 31.

Name	Position		2003		2002
Kathryn Bernhardt	Manager, Support Services	$	**58**	$	62
Derek Boutang	Systems Analyst		**59**		54
Donald Chesney	Manager, Fleet		**65**		62
Dennis Ducharme	Chief Operating Officer		**80**		82
Jordan Janisse	Systems Supervisor		**61**		56
David Kroeker	Programmer Analyst		**55**		50
Albert Ogonoski	Manager, Finance		**60**		60
William Reynolds	Senior Manager, Strategic Planning		**60**		60
Guy Sinclair	Manager, Operations		**64**		62
George St. Amant	Automotive Equipment Mechanic				50
Kathy Tarrant	Manager, Marketing				53

Fleet Vehicles Agency
An Agency of the Special Operating Agencies Financing Authority
Province of Manitoba
Schedule of Other Revenue and Expenses

(In Thousands)

Year Ended March 31	2003	2002
Other revenue		
Service	$ 872	$ 719
Rebates	576	694
Autopac service revenue	262	386
	$ 1,710	$ 1,799
Vehicle operating expenses		
Amortization	$ 7,707	$ 6,994
Fuel	6,221	5,405
Insurance premiums	2,665	2,327
Repairs and maintenance	3,462	3,080
	$ 20,055	$ 17,806
Administrative expenses		
Amortization	$ 144	$ 133
Fleet management information system	191	189
Human resource overhead	396	390
Occupancy costs	418	398
Other costs	58	70
Professional fees	49	24
SOAFA charges	2	3
Supplies and materials	54	47
Telephone and communication	28	30
	$ 1,340	$ 1,284

Fleet Vehicles Agency
An Agency of the
Special Operating Agencies Financing Authority
Province of Manitoba
Responsibility for Financial Reporting

The Agency's management is responsible for preparing the financial statements and other financial information in the Annual Report. This responsibility includes maintaining the integrity and objectivity of financial data and the presentation of the Agency's financial position and results of operations in accordance with Canadian generally accepted accounting principles. The financial statements include amounts that are based on management's best estimates and judgements. The Agency's financial statements have been audited by Grant Thornton LLP, independent external auditors.

The Agency maintains a system of internal controls throughout its operation that provides reasonable assurance that transactions are authorized, properly recorded and reported, and that assets are safeguarded.

An Advisory Board is available to meet, as required, with management to review accounting practices, financial reporting and to discuss audit results. During the year, management met once with the Advisory Board. The auditors have free and full access to this Board, to discuss the results of their audit and their views on the adequacy of internal controls and the quality of financial reporting.

Ducharme
Dennis Ducharme
Chief Operating Officer

Albert Ogonoski
Albert Ogonoski
Manager, Finance

May 12, 2003

MATERIALS DISTRIBUTION AGENCY

Financial Statements

For The Year Ended March 31, 2003

(In Thousands)

TREASURY BOARD
JUN 26 2003
SECRETARIAT

Materials Distribution Agency
An Agency of the
Special Operating Agencies Financing Authority
Province of Manitoba

Responsibility of Financial Reporting

The Agency's management is responsible for preparing the financial statements and other financial information in the Annual Report. This responsibility includes the integrity and objectivity of financial data and the presentation of the Agency's financial position and results of operations in accordance with generally accepted accounting principles. The financial statements have been audited by The Exchange Group, independent external auditors.

The Agency maintains a system of internal controls throughout its operation that provides reasonable assurance that transactions are authorized, properly recorded and reported, and that assets are safeguarded.

The Advisory Board has scheduled meetings with management to review accounting practices, financial reporting and to discuss audit results. The auditors have free and full access to this Board, to discuss the results of the audit and their views on the adequacy of internal controls and the quality of financial reporting.

Susan Boult

Susan Boulter
A/Chief Operating Officer

Joel Hershfield
Manager of Finance and Technology

May 27, 2003

E X G

THE EXCHANGE

chartered accountants

AUDITORS' REPORT

To the Special Operating Agencies Financing Authority

We have audited the balance sheet of Materials Distribution Agency, an Agency of the Special Operating Agencies Financing Authority, Province of Manitoba as at March 31, 2003 and the statements of income and retained earnings and cash flow for the year then ended. These financial statements are the responsibility of the Agency's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Agency as at March 31, 2003 and the results of its operations and changes in cash flow for the year then ended in accordance with Canadian generally accepted accounting principles.

THE EXCHANGE

chartered accountants

Winnipeg, Manitoba
May 27, 2003

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MATERIALS DISTRIBUTION AGENCY

(An Agency of the Special Operating Agencies Financing Authority - Province of Manitoba)

BALANCE SHEET

(In Thousands)

AS AT MARCH 31, 2003

ASSETS

	2003	2002
CURRENT		
Cash and short term investments	$ 1,455	$ 1,917
Accounts receivable	3,186	2,549
Inventories (notes 2 and 4)	1,609	1,333
Prepaid expenses	82	33
	6,332	5,832
RECEIVABLE – PROVINCE OF MANITOBA (note 3)	288	288
CAPITAL ASSETS (notes 2 and 5)	754	674
OTHER ASSETS (notes 2 and 6)	486	568
	$ 7,860	$ 7,362

LIABILITIES

	2003	2002
CURRENT		
Payables and accruals (note 7)	$ 2,407	$ 1,931
SEVERANCE LIABILITY (note 10)	246	234
	2,653	2,165

EQUITY

	2003	2002
CONTRIBUTED EQUITY (note 8)	1,246	1,246
RETAINED EARNINGS	3,961	3,951
	5,207	5,197
	$ 7,860	$ 7,362

Commitments (note 9)

See Accompanying Notes To Financial Statements

MATERIALS DISTRIBUTION AGENCY

(An Agency of the Special Operating Agencies Financing Authority - Province of Manitoba)

STATEMENT OF INCOME AND RETAINED EARNINGS

(In Thousands)

YEAR ENDED MARCH 31, 2003

	2003	2002
SALES, schedule 1	$21,071	$18,771
COST OF GOODS SOLD	16,931	14,878
GROSS PROFIT	4,140	3,893
EXPENSES		
Salaries and benefits	2,640	2,399
Operating costs	375	323
Administrative expenses, schedule 2	715	667
	3,730	3,389
NET INCOME	410	504
REVENUE SHARING – Province of Manitoba	(400)	(400)
RETAINED EARNINGS, beginning of year	3,951	3,847
RETAINED EARNINGS, end of year	$ 3,961	$ 3,951

See Accompanying Notes To Financial Statements

MATERIALS DISTRIBUTION AGENCY

(An Agency of the Special Operating Agencies Financing Authority - Province of Manitoba)

STATEMENT OF CASH FLOW
(In Thousands)
YEAR ENDED MARCH 31, 2003

Increase (decrease) in cash and cash equivalents

	2003	2002
Operating		
Net earnings	$ 410	$ 504
Amortization	660	557
	1,070	1,061
Change in		
Accounts receivable	(637)	1,226
Inventories	(276)	205
Prepaids	(49)	(7)
Payables and accruals	476	(1,424)
Severance pay liability	12	16
	596	1,077
Investing		
Acquisition of Home Care equipment	(432)	(309)
Acquisition of capital assets	(105)	(100)
Acquisition of other assets	(121)	(138)
	(658)	(547)
Financing		
Revenue sharing to the Consolidated Fund	(400)	(400)
Increase (decrease) in cash and short term investments	(462)	130
Cash and short-term investments, beginning of year	1,917	1,787
Cash and short-term investments, end of year	$ 1,455	$ 1,917

See Accompanying Notes To Financial Statements

MATERIALS DISTRIBUTION AGENCY
(An Agency of the Special Operating Agencies Financing Authority - Province of Manitoba)

NOTES TO FINANCIAL STATEMENTS
(In Thousands)
MARCH 31, 2003

1. NATURE OF ORGANIZATION

The Government of Manitoba established a central warehouse operation in 1974. Its mandate was to cost effectively meet the needs of departments and certain boards, commissions and agencies of the Crown, for a variety of commonly used items.

Effective April 1, 1993, Materials Distribution Branch was designated as a Special Operating Agency pursuant to The Special Operating Agencies Financing Authority Act, Cap. S185, C.C.S.M. and operates under a charter approved by the Lieutenant Governor in Council.

The Agency is financed through the Special Operating Agencies Financing Authority (SOAFA). The Financing Authority has the mandate to hold and acquire assets required for and resulting from the Agency operations. It finances the Agency through repayable loans and working capital advances. This financial framework enables the Agency to operate in a business-like manner according to public policy expectations.

A Management Agreement between the Financing Authority and the Minister of Government Services assigns responsibility to the Agency to manage and account for the Agency-related assets and operations on behalf of the Financing Authority.

The Materials Distribution Agency continues to be part of Manitoba Government Services under the general direction of the Assistant Deputy Minister, Supply and Services Division, and ultimately the policy direction of the Deputy Minister and Minister.

The Materials Distribution Agency remains bound by relevant legislation and regulations. It is also bound by administrative policy except where specific exemptions have been provided in its charter in order to meet business objectives.

The Materials Distribution Agency is economically dependent on the Province of Manitoba and the Manitoba Regional Health Authorities deriving most of its revenue and all of its capital financing requirements from the Province.

MATERIALS DISTRIBUTION AGENCY
(An Agency of the Special Operating Agencies Financing Authority - Province of Manitoba)

NOTES TO FINANCIAL STATEMENTS
(In Thousands)
MARCH 31, 2003

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Reporting

The financial statements of the Agency are presented in accordance with Canadian generally accepted accounting principles.

Inventories

Inventories are valued at the lower of cost and net realizable value.

Capital Assets

Capital assets are recorded at cost and are amortized annually at the following rates and bases:

Computer equipment	- 20%, straight-line basis
Fixtures	- 20%, straight-line basis
Office equipment	- 20%, diminishing balance basis
Rental equipment	- 20%, diminishing balance basis
Warehouse equipment	- 20%, diminishing balance basis
Leasehold improvements	- over 5 years, straight-line basis

Assets that relate to the transfer of the Home Care Equipment and Supplies Program are recorded at cost and are amortized at accelerated rates as follows:

Computer equipment, accelerated	- 33%, straight-line basis
Fixtures, accelerated	- 33%, straight-line basis
Office equipment, accelerated	- 33%, straight-line basis
Warehouse equipment, accelerated	- 33%, straight-line basis
Leasehold improvements, accelerated	- over 3 years, straight-line basis

Non-consumable equipment relating to the Home Care Equipment and Supplies Program are amortized at varying rates in order to reflect the varying periods of useable "life".

Rental equipment	- over 2, 3 or 5 years, straight-line basis

2. SIGNIFICANT ACCOUNTING POLICIES, continued

Other Assets

Other assets are recorded at cost and are amortized at the following rate on a straight-line basis:

Computer conversion	- over 5 years
Computer conversion, accelerated	- over 3 years

3. RECEIVABLE – PROVINCE OF MANITOBA

The receivable from the Province of Manitoba is for vacation entitlement earned by the employees of Materials Distribution Agency prior to their designation as SOA's. It also includes severance pay benefits earned by SOA employees to March 31, 1998 as well as the benefits accumulated by the employees of the Manitoba Securities Commission prior to March 31, 1997.

The timing of the collection of these receivables will vary for each SOA. The receivable, or portion thereof, for an individual SOA will be collected in the event that there is a cash shortfall. However, this is only likely to happen on the dissolution of an SOA.

MATERIALS DISTRIBUTION AGENCY
(An Agency of the Special Operating Agencies Financing Authority - Province of Manitoba)

NOTES TO FINANCIAL STATEMENTS
(In Thousands)
MARCH 31, 2003

4. INVENTORIES

	2003	2002
Medical, Lab and X-ray supplies	$ 197	$ 174
Reproductive health supplies	25	47
Medical supplies	423	382
Ostomy supplies	247	145
Equipment consumables	88	24
	980	772
Golden Boy	60	0
Stationery	335	312
Forms	77	106
Janitorial	119	100
Furnishings	17	18
Software and computer supplies	0	2
New furniture	17	14
Office equipment consumables	4	9
	$ 1,609	$ 1,333

5. CAPITAL ASSETS

	Cost	Accumulated Amortization	2003 Net	2002 Net
Computer equipment	$ 58	$ 31	$ 27	$ 22
Fixtures	40	40	0	0
Office equipment	32	31	1	7
Warehouse equipment	261	92	170	108
Leasehold improvements	166	158	8	39
	557	352	206	176
Accelerated				
Computer equipment	48	48	0	0
Fixtures	63	63	0	0
Office equipment	22	22	0	0
Warehouse equipment	61	61	0	0
Leasehold improvements	120	120	0	0
	314	314	0	0
Home Care equipment	2,219	1,671	548	498
	$ 3,090	$ 2,337	$ 754	$ 674

6. OTHER ASSETS

	Cost	Accumulated Amortization	2003 Net	2002 Net
Computer conversion	$ 1,117	$ 631	$ 486	$ 568

7. WORKING CAPITAL PAYABLE

The Agency has an authorized line of working capital advances of $800, none of which was used at March 31, 2003 or 2002.

8. CONTRIBUTED EQUITY

Loan Authority – April 1, 1993

The Special Operating Agencies Financing Authority (SOAFA) and the Manitoba Provincial Government entered into a Transfer Agreement respecting the transfer from Manitoba to the Financing Authority of inventory and fixed assets valued at $1,464 required for the continuing operations of the Materials Distribution Agency as at March 31, 1993. The Agency repaid the debt portion of $732 (being ½ of the value of the assets) and recorded the balance, $732, as Manitoba's equity in the Financing Authority as related to the Agency operations.

Loan Authority – April 1, 1997

SOAFA and the Manitoba Provincial Government entered into a Transfer Agreement respecting the transfer from Manitoba to the Financing Authority for the net assets of the HCESP valued at $1,027 as at April 1, 1997. The Agency repaid the debt portion of $513 (being ½ of the value of the assets) and recorded the balance, $514, as Manitoba's equity in the Financing Authority as related to the Agency operations.

9. COMMITMENTS

Leased Premises

On March 24, 2003 The Agency took partial possession of a rental property consisting of 76,067 square feet at 1715 St. James Street, Winnipeg, Manitoba. The lease is for a term of 10 years with an additional 5-year option commencing May 1, 2003. Occupancy charges are an annual $453 payable in monthly instalments.

Revenue Sharing

The Agency's approved 2003/04 Business Plan calls for $400 in revenue sharing to be paid in quarterly instalments to the Consolidated Fund during 2003/04.

10. SEVERANCE LIABILITY

Effective April 1, 1998 the Agency commenced recording accumulated severance pay benefits for its employees. Severance pay is determined by multiplying years of service, to a maximum of fifteen years, by the weekly salary at date of retirement, provided the employee reaches nine years of service and retires from the Agency. The estimate is based upon the method of calculation set by the Province of Manitoba.

The Province has accepted responsibility for the severance benefits accumulated by the Agency's employees to March 31, 1998. Accordingly, the opening severance pay liability balance as at April 1, 1998 of $254 has been completely offset by a receivable from the Province.

An actuarial valuation report of the Agency's severance as at March 31, 2000 was completed in February 2001. The liability as at March 31, 2001 was restated to $210 and the receivable from the Province was restated to $274 as a result of the actuarial valuation.

The receivable from the Province will only be collected, in whole or in part, in the event there is a cash short fall in the Agency. It is probable, therefore, that collection will only happen on the dissolution of the Agency.

The actuarial report provides a formula to update the liability on an annual basis. In accordance with the formula, the Agency's actuarial liability has been calculated to be $246 as at March 31, 2003.

11. PUBLIC SECTOR COMPENSATION DISCLOSURE ACT

It is a requirement of the Public Sector Compensation Disclosure Act that annual public disclosure be made of individual compensation in an amount exceeding $50 annually to any officer or employee of the Agency. For the year ended March 31, 2003, the following employees received compensation in excess of $50.

Name	Position	2003	2002
Susan Boulter	A/Chief Operating Officer	$ 73	$ -
Joel Hershfield	Manager of Finance and Technology	59	-
Ted Norrington	A/Controller	-	54
Kathy Demchuk	Marketing Manager	56	52

12. INTEREST RECEIVED

The Agency received interest during the year of $45 (2002 - $63).

Schedule 1

MATERIALS DISTRIBUTION AGENCY

(An Agency of the Special Operating Agencies Financing Authority - Province of Manitoba)

SCHEDULE OF SALES
(In Thousands)
YEAR ENDED MARCH 31, 2003

	2003	2002
Warehoused Items		
Medical, Lab and X-ray	$ 1,560	$ 1,751
Medical forms	104	125
Reproductive	113	219
Medical supplies	3,807	3,731
Ostomy supplies	1,722	1,578
Equipment consumables	222	123
	7,528	7,527
Stationery	2,031	1,966
Forms	143	120
Janitorial	711	633
Furnishings	70	84
Office equipment consumables	63	102
Software and computer supplies	4,528	2,530
Special Project - Golden Boy	99	0
Miscellaneous	1	8
	15,174	12,970
Direct (factored sales)		
Stationery	759	687
Medical, Lab and X-ray	97	72
Janitorial	279	264
Furniture, new	970	1,422
	2,105	2,445
Other Revenue		
Manitoba Textbook Bureau	265	0
Home Care equipment rentals	1,635	1,603
Office equipment – copy centres	695	794
Office equipment – maintenance program	118	133
Used furniture	29	29
Disposal	8	22
Moving and freight	907	618
Storage	58	68
Other Income	75	86
Miscellaneous	2	3
	3,792	3,356
TOTAL REVENUE	$ 21,071	$ 18,771

MATERIALS DISTRIBUTION AGENCY
(An Agency of the Special Operating Agencies Financing Authority - Province of Manitoba)

SCHEDULE OF ADMINISTRATIVE EXPENSES
(In Thousands)
YEAR ENDED MARCH 31, 2003

	2003	2002
ADMINISTRATIVE EXPENSES		
SOAFA fees	$ 2	$ 2
Professional services	13	10
Amortization	280	232
Bad debts	-	50
Computer	263	251
Office	61	50
Promotion and marketing	44	23
Telephone	46	43
Training and education	6	6
	$ 715	$ 667

ORGANIZATION & STAFF DEVELOPMENT - An Agency of the Special Operating Agencies Financing Authority

Financial Statements

For the year ended March 31, 2003

ORGANIZATION & STAFF DEVELOPMENT - An Agency of the Special Operating Agencies Financing Authority

Financial Statements

For the year ended March 31, 2003

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Management's Responsibility for Financial Reporting

The accompanying financial statements are the responsibility of the management of **ORGANIZATION & STAFF DEVELOPMENT** (OSD) and have been prepared in accordance with Canadian generally accepted accounting principles. In management's opinion, the financial statements have been properly prepared within reasonable limits of materiality, incorporating management's best judgement regarding all necessary estimates and all other data available to May 30, 2003.

Management maintains internal controls to properly safeguard the assets and to provide reasonable assurance that the books and records from which the financial statements are derived accurately reflect all transactions, and that established policies and procedures are followed.

The responsibility of the Auditor General is to express an independent opinion on whether the financial statements of OSD are fairly represented in accordance with Canadian generally accepted accounting principles. The Auditor's Report outlines the scope of the audit examination and provides the audit opinion.

On behalf of Management,

ORGANIZATION & STAFF DEVELOPMENT

Rhonda McCorriston, Director
May 30, 2003

Office of the Auditor General

500 - 330 Portage Avenue
Winnipeg, Manitoba
CANADA R3C 0C4

AUDITORS' REPORT

To the Legislative Assembly of Manitoba

We have audited the balance sheet of Organization and Staff Development, an Agency of The Special Operating Agencies Financing Authority, as at March 31, 2003 and the statements of operations and retained earnings and cash flows for the year then ended. These financial statements are the responsibility of the Agency management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Agency as at March 31, 2003 and results of its operations and changes in its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Office of the Auditor General

Office of the Auditor General

Winnipeg, Manitoba
May 30, 2003

ORGANIZATION & STAFF DEVELOPMENT - An Agency of the Special Operating Agencies Financing Authority

Balance Sheet

March 31	2003	2002
	(000's)	
Assets		
Current Assets		
Cash and bank (Note 3)	$ 174	$ 111
Short-term investments	267	222
Accounts receivable	108	175
Inventories	9	31
	558	539
Receivable from Province of Manitoba (Note 4)	39	39
Capital assets (Note 5)	9	10
	$ 606	$ 588
Liabilities and Equity		
Current Liabilities		
Accounts payable and accrued liabilities	$ 177	$ 155
Severance liability (Note 4)	56	51
	233	206
Equity		
Retained earnings	373	382
	$ 606	$ 588

The accompanying notes are an integral part of these financial statements.

ORGANIZATION & STAFF DEVELOPMENT - An Agency of the Special Operating Agencies Financing Authority
Statement of Operations and Retained Earnings

For the year ended March 31

(000's)

	2003 Actual	2002 Actual	Variance	Budget	Variance
Revenue					
Training and consulting	**$ 1,163**	$ 1,308	$ (145)	$ 1,200	$ (37)
Interest	**8**	10	(2)	8	-
	1,171	1,318	(147)	1,208	(37)
Expenses					
Salaries and benefits	**425**	355	70	469	(44)
Professional fees	**382**	418	(36)	475	(93)
Books and course materials	**95**	110	(15)	35	60
Food and beverages	**63**	71	(8)	38	25
Accommodations	**49**	40	9	35	14
Desk top management	**36**	30	6	24	12
Marketing	**34**	24	10	14	20
Communications	**18**	16	2	18	-
Transportation	**16**	12	4	28	(12)
Office supplies	**15**	32	(17)	8	7
Occupancy costs	**14**	15	(1)	14	-
Rentals	**13**	16	(3)	27	(14)
Professional development	**10**	9	1	10	-
Other	**8**	4	4	3	5
Amortization	**2**	3	(1)	4	(2)
Departmental support services	**-**	41	(41)	-	-
	1,180	1,196	(16)	1,202	(22)
Net income (loss) for the year	**(9)**	122	(131)	6	(15)
Retained earnings, beginning of year	**382**	260			
Retained earnings, end of year	**$ 373**	$ 382			

The accompanying notes are an integral part of these financial statements.

ORGANIZATION & STAFF DEVELOPMENT - An Agency of the
Special Operating Agencies Financing Authority
Statement of Cash Flows

For the year ended March 31		2003		2002
		(000's)		
Cash Flows from Operating Activities				
Net income (loss) for the year	$	(9)	$	122
Adjustments for				
Amortization of capital assets		2		3
		(7)		125
Net change in non-cash working capital balances		115		(193)
		108		(68)
Cash Flows from Investing Activities		-		-
Increase (decrease) in cash and equivalents during the year		108		(68)
Cash and cash equivalents, beginning of year		333		401
Cash and cash equivalents, end of year	$	441	$	333
Represented by				
Cash and bank	$	174	$	111
Short-term investments		267		222
	$	441	$	333

The accompanying notes are an integral part of these financial statements

1. Nature of Organization

Effective April 1, 1994, Organization and Staff Development (OSD) of the Civil Service Commission was designated by regulation as a Special Operating Agency under The Special Operating Agencies Financing Authority Act and operates under a charter approved by the Lieutenant Governor in Council. Its mandate is to provide consulting and training services to support the implementation of the government's human resource policies and priorities.

The Agency is financed through the Special Operating Agencies Financing Authority. The Financing Authority has the mandate to hold and acquire assets required for and resulting from Agency operations. It finances the Agency through repayable loans and working capital advances. This financial framework enables the Agency to operate in a business-like manner according to public policy expectations.

A Management Agreement between the Financing Authority and the Minister responsible for the Civil Service Commission assigns responsibility to the Agency to manage and account for the Agency related assets and operations on behalf of the Financing Authority.

OSD continues to be part of the Civil Service Commission under the general direction of the Commissioner and ultimately the policy direction of the Minister responsible for The Civil Service Act.

OSD remains bound by relevant legislation and regulations. It is also bound by administrative policy except where specific exemptions have been provided for in its charter in order to meet business objectives.

OSD is economically dependant on the Province of Manitoba. Currently, the Agency derives most of its revenue from the Province and all of its capital financing requirements through the Financing Authority.

2. Significant Accounting Policies

Basis of Reporting

The financial statements of the Agency are presented in accordance with Canadian generally accepted accounting principles.

Revenue Recognition

Training and consulting revenue is recorded on an accrual basis by specific project.

Use of Estimates

In preparing the Agency's financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the period. Actual results could differ from these estimates.

2. Significant Accounting Policies (continued)

Financial Instruments

The Agency's financial instruments consist of cash, accounts receivable, investments and accounts payable. It is management's opinion that the Agency is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values unless otherwise noted.

Inventories

Inventories are valued at the lower of cost and net realizable value.

Capital Assets

Rates of amortization applied to write off the cost of capital assets over their estimated life are as follows:

Furniture and office equipment	20% straight line
Computer equipment	20% straight line

One half year's amortization is applied to computer equipment in the year of acquisition.

3. Working Capital

The Agency has an authorized line of working capital advances of $120 which was unused and available at March 31, 2003.

4. Severance Liability

Effective April 1, 1998, the Agency began recording accumulated severance pay benefits for its employees. The estimate of the liability was based on the method of calculation set by the Province of Manitoba.

The Province has accepted responsibility for the severance benefits accumulated by the Agency's employees to March 1, 1998. Accordingly, the opening severance pay liability balance as at April 1, 1998 calculated at $33 was completely offset by a receivable from the Province. The receivable from the Province, or portion thereof, for Organization and Staff Development, will be collected in the event there is a cash shortfall. However, this is only likely to happen on the dissolution of the Agency.

An actuarial valuation report of the Agency's severance liability as at March 31, 2000 was completed in 2001. The liability as at March 31, 2000 was restated to $42 and the receivable from the Province was restated to $39. The report provides a formula to update the liability on an annual basis. In accordance with the formula, the Agency's actuarial liability has been calculated to be $56 as at March 31, 2003.

5. Capital Assets

	2003			2002		
	Cost	**Accumulated Amortization**	**Net Book Value**	Cost	Accumulated Amortization	Net Book Value
Furniture & fixtures	$ 10	$ 7	$ 3	$ 10	$ 7	$ 3
Computers	12	6	6	12	5	7
	$ 22	$ 13	$ 9	$ 22	$ 12	$ 10

6. Public Sector Compensation

Pursuant to the disclosure required by The Public Sector Compensation Disclosure Act, no remuneration was paid to Advisory Board members. During the fiscal year ended March 31, 2003, the following employees received compensation of $50,000 or more.

	2003	2002
K. Meekler	$ 51	$ -
J. Desrochers	57	54
E. Dickson	57	54
H. Robertson	74	71

7. Related Party Transactions

The Agency is related in terms of common ownership to all Province of Manitoba created Departments, Agencies and Crown Corporations. The Agency enters into transactions with these entities in the normal course of business.

VITAL STATISTICS AGENCY

FINANCIAL STATEMENTS

MARCH 31, 2003

Vital Statistics Agency

MANAGEMENT REPORT

To the Special Operating Agencies Financing Authority

The accompanying financial statements are the responsibility of the management of the Vital Statistics Agency and have been prepared in accordance with generally accepted accounting principles. In Management's opinion, the financial statements have been properly prepared within reasonable limits of materiality, incorporating Management's best judgement regarding all necessary estimates and all other data available up to May 14, 2003.

Management maintains internal controls to properly safeguard the Vital Statistics Agency's assets. These controls also provide reasonable assurance that the books and records from which financial statements are derived accurately reflect all transactions, and established policies and procedures are followed.

The Auditor's responsibility is to express an independent opinion on whether the financial statements of the Vital Statistics Agency are fairly presented in accordance with generally accepted accounting principles. The Auditor's Report outlines the scope of the audit examination and provides an audit opinion.

On behalf of Management.

Caroline E. Kaus
Chief Operating Officer

Rudy Gerling, CGA
Manager of Finance,
Administration and Marketing.

TREASURY BOARD
TREASURY BOARD
JUN 30 2003
SECRETARIAT

Winnipeg, Manitoba
May 14, 2003

Vital Statistics Agency
254 Portage Avenue, Winnipeg, MB, R3C 0B6 Canada
Telephone: (204) 945-3701 Fax: (204) 948-3128

Bureau de l'état civ
254 avenue Portage, Winnipeg (Manitoba) R3C 0B6 Canad
Telephone: (204) 945-5500 Fax: (204) 948-312

MAGNUS & BUFFIE

CHARTERED ACCOUNTANTS

AUDITORS' REPORT

To the Special Operating Agencies Financing Authority

We have audited the balance sheet of the Vital Statistics Agency, an Agency of the Special Operating Agencies Financing Authority, Province of Manitoba as at March 31, 2003 and the statements of earnings, retained earnings and cash flow for the year then ended. These financial statements are the responsibility of the Agency's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Agency as at March 31, 2003 and the results of its operations and cash flow for the year then ended in accordance with Canadian generally accepted accounting principles.

Magnus & Buffie

May 14, 2003

CHARTERED ACCOUNTANTS

VITAL STATISTICS AGENCY
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA

BALANCE SHEET
(in thousands)
MARCH 31, 2003

	2003	2002
ASSETS		
CURRENT ASSETS		
Cash and short term deposits	$ 256	$ 428
Accounts receivable (Note 4)	70	51
Inventories	48	43
Prepaids	16	19
	390	541
RECEIVABLE FROM PROVINCE OF MANITOBA (Notes 5 and 7)	94	94
CAPITAL ASSETS (Note 6)	728	755
	$ 1,212	$ 1,390
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued	$ 143	$ 61
Accrued unused vacation entitlements	137	121
Unearned revenue	131	121
	411	303
SEVERANCE PAY LIABILITY (Note 7)	169	150
	580	453
EQUITY		
RETAINED EARNINGS	632	937
	$ 1,212	$ 1,390

VITAL STATISTICS AGENCY
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA

STATEMENT OF EARNINGS
(in thousands)

FOR THE YEAR ENDED MARCH 31, 2003

	2003	2002
REVENUE		
Net sales	$ 2,502	$ 2,273
Proceeds from government departments	184	114
Interest	7	15
	2,693	2,402
EXPENSES		
Salaries and employee benefits	1,455	1,347
Operating expenses (Page {T#})	854	796
Amortization - capital assets	189	188
	2,498	2,331
NET EARNINGS FOR THE YEAR	$ 195	$ 71

VITAL STATISTICS AGENCY
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA

STATEMENT OF RETAINED EARNINGS
(in thousands)
FOR THE YEAR ENDED MARCH 31, 2003

	2003	2002
RETAINED EARNINGS, beginning of year	$ 937	$ 1,101
Net earnings for the year	195	71
	1,132	1,172
Revenue sharing payment to Province of Manitoba	500	235
RETAINED EARNINGS, end of year	$ 632	$ 937

VITAL STATISTICS AGENCY
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA

STATEMENT OF CASH FLOW
(in thousands)
FOR THE YEAR ENDED MARCH 31, 2003

	2003	2002
CASH FLOW FROM (USED IN)		
OPERATING ACTIVITIES		
Net earnings for the year	$ 195	$ 71
Adjustments for		
Amortization - capital assets	189	188
Severance pay expense	18	16
	402	275
Changes in the following		
Accounts receivable	(19)	13
Inventories	(5)	(15)
Prepaids	3	(11)
Accounts payable and accrued	83	(528)
Accrued unused vacation entitlements	16	11
Unearned revenue	11	28
	491	(227)
FINANCING ACTIVITY		
Revenue sharing payment to Province of Manitoba	(500)	(235)
INVESTING ACTIVITY		
Capital asset additions	(163)	(35)
CHANGE IN CASH AND SHORT TERM DEPOSITS	(172)	(497)
CASH AND SHORT TERM DEPOSITS, beginning of year	428	925
CASH AND SHORT TERM DEPOSITS, end of year	$ 256	$ 428

VITAL STATISTICS AGENCY
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA

NOTES TO FINANCIAL STATEMENTS
(in thousands)
MARCH 31, 2003

1. NATURE OF ORGANIZATION

Effective April 1, 1994, the Lieutenant Governor in Council designated the Vital Statistics Agency (the "Agency") as a special operating agency under The Special Operating Agencies Financing Authority Act (C.C.S.M. cS185) by Order in Council 232/1994. The Order also gave approval to the Special Operating Agencies Financing Authority (SOAFA) and the Minister of Consumer and Corporate Affairs, being the Minister responsible for the Agency, to enter into a management agreement with respect to the Agency.

A Management Agreement between the Financing Authority and the Minister of Consumer and Corporate Affairs assigns responsibility to manage the assets transferred to the Agency in delivering regulated services to clients through administration of three major Acts; The Vital Statistics Act; The Change of Name Act; and The Marriage Act. The Agency also handles disinternments under the Public Health Act. The ownership of the vital events records is excluded from this agreement, as their ownership is considered Crown property and should not be alienated from Government protection in the public interest.

The Agency is part of Manitoba Consumer and Corporate Affairs Division in the Department of Finance under the general direction of the Minister, Finance, the Deputy Minister and Assistant Deputy Minister who is also Chairperson of Vital Statistics Advisory Board.

The Agency remains bound by relevant legislation and regulation. It is also bound by administrative policy except where specific exemptions have been provided for in its charter in order to meet business objectives.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of reporting

The financial statements have been prepared in accordance with generally accepted accounting principles.

(b) Inventories

Inventories of certificates and pre-printed forms are valued at cost. Cost is determined on a first-in, first-out basis.

(c) Capital assets

Capital assets are amortized over their estimated useful lives as follows:

	Rate	Method
Office equipment	20%	Straight line
Furniture and fixtures	20%	Straight line
Security equipment	20%	Straight line
Leasehold improvements	20%	Straight line
Information system	20%	Declining balance
Data conversion	20%	Declining balance

The half-year rule is used in the year of acquisition and disposition.

(d) Unearned revenue

The Agency receives cash payments at the time various certificates are ordered and the cash payments are reflected as unearned revenue. Revenue is recognized at the time the service is completed and the certificate is issued.

3. WAIVER OF FEES

The Agency charges no fee for services in exchange for services from the following organizations:

(a) The Manitoba Development Centre, health care facilities, the Chief Medical Examiner's Office (Manitoba Justice), the Manitoba Funeral Association and the Department of Anatomy of the University of Manitoba as they provide services in accordance with The Vital Statistics Act.

(b) Child and Family Services Regional Operations of Manitoba Family Services to act as issuers of Marriage Licences and handling related administrative duties.

(c) Vital Statistics Offices in other jurisdictions through agreements to exchange information between jurisdictions as it relates to one another's residency or birthplace.

Services provided under the above agreements are valued at $7 for the year ended March 31, 2003 (2002 - $5).

The Vital Statistics Agency provides the following services without compensation to the Federal Government:

(a) Statistics Canada for national tabulation and statistical information. Statistics Canada provides payment for the microdata and microfilm records from the Vital Statistics Agency and provides half of the cost of printing registration forms.

(b) Health and Welfare Canada (Indian and Northern Affairs)

Services provided under the above arrangements are valued at $nil for the year ended March 31, 2003 (2002 - $nil).

The Agency provides services without compensation to victims of crimes as follows:

In March of 1998, the Ministers of Justice, Consumer and Corporate Affairs, and Highways and Transportation agreed that the fees for replacement documents should be waived. Representatives of and the Division of Driver and Vehicle Licensing met to coordinate the process so the public would receive the same program from both agencies.

Effective January 1, 1999, members of the public who have had their birth certificates stolen during a criminal act can request replacement certificates and have the fee waived. This does not apply to members of the public who have lost their identification or individuals who are non-residents of Manitoba.

Clients are asked to indicate that they are requesting a waiver of fees as a result of a criminal act and to provide the police incident number.

Services provided under the above arrangement are valued at $20 for the year ended March 31, 2003 (2002 -$19).

4. ACCOUNTS RECEIVABLE

	2003	2002
Trade	$ 74	$ 57
Allowance for doubtful accounts	4	6
	$ 70	$ 51

VITAL STATISTICS AGENCY
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA

NOTES TO FINANCIAL STATEMENTS
(in thousands)
MARCH 31, 2003

5. RECEIVABLE FROM PROVINCE OF MANITOBA

The receivable from the Province of Manitoba is for severance pay benefits prior to April 1, 1998.

The timing of the collection of this receivable will vary. The receivable, or portion thereof, will be collected in the event that there is a cash shortfall. However, this is only likely to happen on the dissolution of the Agency.

6. CAPITAL ASSETS

	Cost	Accumulated Amortization	Net Book Value 2003	Net Book Value 2002
Office equipment	$ 144	$ 83	$ 61	$ 50
Furniture and fixtures	104	67	37	53
Security equipment	40	36	4	13
Leasehold improvements	84	55	29	26
Information system	755	510	245	255
Data conversion	831	479	352	358
	$ 1,958	$ 1,230	$ 728	$ 755

7. SEVERANCE PAY LIABILITY

Effective April 1, 1998, the Agency began recording accumulated severance pay benefits for its employees. The estimate of the liability was based on the method of calculation set by the Province.

The Province has accepted responsibility for the severance benefits accumulated by the Agency's employees to March 31, 1998. Accordingly, the opening severance pay liability balance as at April 1, 1998 calculated at $126 was completely offset by a receivable from the Province.

An actuarial valuation report of the Agency's severance as at March 31, 2000 was completed in prior years. The receivable from the Province was estimated at $94 as a result of the actuarial valuation. The report provides a formula to update the liability on an annual basis. In accordance with the formula, the Agency's actuarial liability has been calculated to be $169 as at March 31, 2003.

8. LEASE COMMITMENTS

The Agency has not entered into a lease agreement with the Province of Manitoba for rental facilities at 254 Portage Avenue. Occupancy charges for the year ending March 30, 2004 are estimated to be $158 (2003 - $157).

9. FINANCING ARRANGEMENTS

Working capital advances and long-term financing for significant capital purchases are provided to the Agency through the Special Operating Agencies Financing Authority. The Financing Authority has approved a $250 limit for working capital advances for the Agency. The Agency has not accessed working capital advances in the current year.

VITAL STATISTICS AGENCY
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA

SCHEDULE OF OPERATING EXPENSES
(in thousands)
FOR THE YEAR ENDED MARCH 31, 2003

	2003	2002
Accommodation	$ 157	$ 157
Advertising	15	26
Bad debts	6	11
Central government charges	57	24
Computer information system	294	279
Office supplies	18	22
Other operating expenses	45	32
Printed material supplies	87	69
Professional fees	19	33
Supplies for mechanized systems	2	1
Telecommunications	27	24
Training	4	5
Transportation and freight	123	113
	$ 854	$ 796

VITAL STATISTICS AGENCY
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA

SCHEDULE OF PUBLIC SECTOR COMPENSATION DISCLOSURE
(in thousands)
FOR THE YEAR ENDED MARCH 31, 2003

The Public Sector Compensation Disclosure Act requires all publicly funded bodies to disclose compensation to any employee or board member when such compensation exceeds $50 per annum. This information follows:

EMPLOYEE	**TITLE**	**COMPENSATION**	
		2003	**2002**
Caroline Kaus	Chief Operating Officer	$ 77	$ 71
Rudy Gerling	Manager of Finance, Administration and Marketing	58	53
Janet Usher	Assistant Director	52	51

CIVIL LEGAL SERVICES

FINANCIAL STATEMENTS

MARCH 31, 2003

Manitoba

Justice

Civil Legal Services
SOA

Room 730
Woodsworth Building
405 Broadway
Winnipeg, Manitoba CANADA
R3C 3L6

PH: (204) 945-2846
FAX: (204) 948-2041
File No.
In reply please refer to:
Tom Hague
Chief Operating Officer

Civil Legal Services
An Agency of the
Special Operating Agencies Financing Authority
Province of Manitoba
Responsibility of Financial Reporting

The Agency's management is responsible for the financial statements and other financial information in the annual report. This responsibility includes maintaining the integrity and objectivity of financial data and the presentation of the Agency's financial position and the results of operations in accordance with generally accepted accounting principles. The financial statements have been audited by Magnus & Buffie, Chartered Accountants, independent external auditors.

The Agency maintains a system of internal controls throughout its operation that provides reasonable assurance that the transactions are authorized, properly records and reported and that the assets are safeguarded.

The Advisory Board meets regularly with management to review accounting practices, financial reporting and to discuss audit results. The auditors have free and full access to this Board, and to discuss the results of their audit and their views on the adequacy of internal controls and the quality of the financial reporting.

Tom Hague
Chief Operating Officer

May 16, 2003

CIVIL LEGAL SERVICES
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA

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MARCH 31, 2003

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MAGNUS & BUFFIE
CHARTERED ACCOUNTANTS

AUDITORS' REPORT

To the Special Operating Agencies Financing Authority

We have audited the balance sheet of Civil Legal Services, an Agency of the Special Operating Agencies Financing Authority, Province of Manitoba as at March 31, 2003 and the statements of earnings and retained earnings and cash flow for the year then ended. These financial statements are the responsibility of the Agency's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Agency as at March 31, 2003 and the results of its operations and cash flow for the year then ended in accordance with Canadian generally accepted accounting principles.

Magnus & Buffie

May 16, 2003

CHARTERED ACCOUNTANTS

CIVIL LEGAL SERVICES
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA

BALANCE SHEET
(in thousands)
MARCH 31, 2003

	2003	2002
ASSETS		
CURRENT ASSETS		
Cash and short term deposits	$ 784	$ 524
Accounts receivable	324	341
	1,108	865
RECEIVABLE FROM PROVINCE OF MANITOBA (Note 4)	379	379
CAPITAL ASSETS (Note 5)	128	160
TRUST ASSET	7	7
	$ 1,622	$ 1,411
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	$ 100	$ 108
Vacation payable	362	342
	462	450
SEVERANCE LIABILITY (Note 6)	385	349
TRUST LIABILITY	7	7
	854	806
EQUITY		
RETAINED EARNINGS	768	605
	$ 1,622	$ 1,411

CIVIL LEGAL SERVICES
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA

STATEMENT OF EARNINGS AND RETAINED EARNINGS
(in thousands)
FOR THE YEAR ENDED MARCH 31, 2003

	2003	2002
REVENUE		
Recoveries	$ 4,789	$ 4,316
Interest and other	6	7
	4,795	4,323
EXPENSES		
Advertising and promotion	2	3
Amortization	42	36
Communications	42	42
Computer	34	37
Desktop management initiative	221	232
Equipment rental	5	3
Government records centre	8	-
Law Society dues	33	31
Law cases disbursements	25	8
Miscellaneous	5	8
Occupancy	162	117
Office	36	48
Postage and deliveries	10	11
Professional fees and services	45	56
Publications	26	25
Travel	31	45
Wages and benefits	3,705	3,462
	4,432	4,164
NET EARNINGS FOR THE YEAR	363	159
RETAINED EARNINGS, beginning of year	605	446
	968	605
REVENUE SHARING - PROVINCE OF MANITOBA	200	-
RETAINED EARNINGS, end of year	$ 768	$ 605

CIVIL LEGAL SERVICES
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA

STATEMENT OF CASH FLOW
(in thousands)
FOR THE YEAR ENDED MARCH 31, 2003

	2003	2002
CASH FLOW FROM (USED IN)		
OPERATING ACTIVITIES		
Net earnings for the year	$ 363	$ 159
Adjustment for		
Amortization	42	36
	405	195
Changes in the following		
Accounts receivable	17	221
Term deposits - pension trust	-	902
Accounts payable and accrued liabilities	(8)	(48)
Revenue sharing - Province of Manitoba	-	(250)
Vacation payable	20	81
Pension payable	-	(767)
	434	334
FINANCING ACTIVITIES		
Change in severance liability	36	34
Revenue sharing - Province of Manitoba	(200)	-
	(164)	34
INVESTING ACTIVITY		
Capital asset additions	(10)	(104)
CHANGE IN CASH AND SHORT TERM DEPOSITS	260	264
CASH AND SHORT TERM DEPOSITS, beginning of year	524	260
CASH AND SHORT TERM DEPOSITS, end of year	$ 784	$ 524

CIVIL LEGAL SERVICES
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA

NOTES TO FINANCIAL STATEMENTS
(in thousands)
MARCH 31, 2003

1. NATURE OF ORGANIZATION

The role of Civil Legal Services (the "Agency") flows from the constitutional and statutory responsibilities of the Minister of Justice as the Chief Legal Advisor to government and the guardian of the public interest. Acting pursuant to government policy, the Agency is responsible for providing a full range of high quality legal services, on a cost recovery basis, to its clients, namely the Government of Manitoba, the government's agencies, boards and committees and some Crown corporations.

On April 1, 1992, the Agency became the first government legal services office in Canada to recover the cost of providing legal services to its clients. While a number of provinces and the federal government are currently looking at the issue of cost recovery for in-house legal services, the Agency remains the only government legal services office to operate on this basis.

Effective April 1, 1995, the Agency was designated as a Special Operating Agency pursuant to The Special Operating Agencies Financing Authority Act, Cap. s185, C.C.S.M. and operates under a charter approved by the Lieutenant Governor in Council.

The Agency is financed through the Special Operating Agencies Financing Authority (SOAFA). The Financing Authority has the mandate to hold and acquire assets required for and resulting from CLS operations. It finances the Agency through repayable loans and working capital advances. The financial framework provides increased management authority which, coupled with more rigourous planning and reporting requirements afforded by Special Operating status, assists the Agency to sustain the provision of high quality legal services to its clients.

A Management Agreement between the Financing Authority and the Minister of Justice assigns responsibility to the Agency to manage and account for the Agency related assets and operations on behalf of the Financing Authority.

The Agency continues to be part of Manitoba Justice under the general direction of the Associate Deputy Minister, and ultimately the policy direction of the Deputy Minister and Minister.

The Agency remains bound by relevant legislation and regulations. It is also bound by administrative policy except where specific exemptions have been provided for in its charter in order to meet business objectives.

The Agency is economically dependent on the Province of Manitoba because it derives most of its revenue from the Province and all of its financing requirements through the Financing Authority.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Reporting: The financial statements have been prepared in accordance with Canadian generally accepted accounting principles. The significant accounting policies are summarized as follows:

Capital Assets: Capital assets are recorded at cost and are amortized over their estimated useful lives as follows:

Computer Equipment and Software	20% straight line (10% in year of acquisition)
Furniture and Fixtures	20% straight line (10% in year of acquisition)
Leasehold Improvements	20% straight line (10% in year of acquisition)

3. FINANCING ARRANGEMENTS

The Special Operating Agencies Financing Authority has provided the Agency with an authorized line of working capital of $500 of which $nil was used at March 31, 2003.

4. RECEIVABLE FROM PROVINCE OF MANITOBA (Note 6)

The receivable from the Province of Manitoba is for vacation and severance entitlements earned by the employees of the Agency prior to creation of the Special Operating Agency and severance pay benefits prior to April 1, 1998. The balance is comprised of:

		2003		2002
Vacation Entitlements	$	140	$	140
Severance Pay Benefits		239		239
	$	379	$	379

The timing of the collection of these receivables will vary. The receivable, or portion thereof, will be collected in the event that there is a cash shortfall. However, this is only likely to happen on the dissolution of the Agency.

5. CAPITAL ASSETS

		Cost		Accumulated Amortization		Net Book Value 2003		Net Book Value 2002
Computer Equipment and Software	$	75	$	21	$	54	$	62
Furniture and Fixtures		174		107		67		87
Leasehold improvements		53		46		7		11
	$	302	$	174	$	128	$	160

6. SEVERANCE LIABILITY

Effective April 1, 1998, the Agency began recording accumulated severance pay benefits for its employees. The estimate of the liability is based on the method of calculation set by the Province.

The Province has accepted responsibility for the severance benefits accumulated by the Agency's employees to March 31, 1998. Accordingly, the opening severance pay liability as at April 1, 1998 calculated at $248 was completely offset by a receivable from the Province.

An actuarial valuation report of the Agency's severance as at March 31, 2000 was completed in prior years. The receivable from the Province was estimated at $239 as a result of the actuarial valuation. The report provides a formula to update the liability on an annual basis. In accordance with the formula, the Agency's actuarial liability has been calculated to be $385 as at March 31, 2003.

7. LEASE COMMITMENTS

The Agency has not entered into a lease agreement with the Province of Manitoba for rental facilities at 405 Broadway. Occupancy charges for the year ending March 31, 2004 are estimated to be $173.

CIVIL LEGAL SERVICES
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA

SCHEDULE OF PUBLIC SECTOR COMPENSATION DISCLOSURE
(in thousands)
FOR THE YEAR ENDED MARCH 31, 2003

The Public Sector Compensation Disclosure Act requires all publicly funded bodies to disclose compensation to any employee or board member when such compensation exceeds $50 per annum. This information follows:

EMPLOYEE	TITLE	COMPENSATION 2003	COMPENSATION 2002
I. Allen	Legal Counsel	$ 93	$ 92
E. Andres	Legal Counsel	91	89
J. Barak	Legal Counsel	77	-
A. Berg	Legal Counsel	99	95
T. Bjornson	Legal Counsel	62	-
T. Brothers	Legal Counsel	52	-
J. Frederickson	Legal Counsel	60	50
I. Frost	Legal Counsel	96	93
D. Gisser	Legal Counsel	96	93
D. Guenette	Legal Counsel	69	64
T. Hague	Director	103	99
G. Hannon	Legal Counsel	96	93
S. Hoeppner	Legal Counsel	91	70
B. Jones	Legal Counsel	64	59
J. Kapac	Legal Counsel	95	92
A. Ladyka	Legal Counsel	60	-
D. Lofendale	Legal Counsel	96	96
W. McFetridge	Legal Counsel	99	95
M. McGunigal	Legal Counsel	69	68
G. Mildren	Legal Counsel	99	95
S. Pierce	Legal Counsel	96	93
K. Ranson	Legal Counsel	60	55
C. Romeo	Legal Counsel	93	95
K. Scott	Legal Counsel	65	63
D. Seale	Legal Counsel	69	64
A. Stevens	Legal Counsel	-	58
N. Trenholm	Legal Counsel	92	50
M. Webb	Legal Counsel	96	93
I. Wiebe	Legal Counsel	56	50
R. Winters	Legal Counsel	96	93

M·E·R·L·I·N

MANITOBA EDUCATION, RESEARCH AND LEARNING INFORMATION NETWORKS

An Agency of the Special Operating
Agencies Financing Authority
Province of Manitoba

Financial Statements

For the year ended March 31, 2003

BDO

BDO Dunwoody LLP
Chartered Accountants
and Consultants

M·E·R·L·I·N

Manitoba • Education • Research • Learning • Information • Networks

The accompanying financial statements are the responsibility of the Management of Manitoba Education, Research and Learning Information Networks (MERLIN) and have been prepared in accordance with generally accepted accounting principles. In Management's opinion, the financial statements have been properly prepared within reasonable limits of materiality, incorporating Management's best judgement regarding all necessary estimates and all other data available up to May 21, 2003.

Management maintains internal controls to properly safeguard MERLIN's assets. These controls also provide reasonable assurance that the books and records from which financial statements are derived accurately reflect all transactions, and that established policies and procedures are followed.

The Auditors' responsibility is to express an independent opinion on whether the financial statements of MERLIN are fairly presented in accordance with generally accepted accounting principles. The Auditor's report outlines the scope of the audit examination and provides an audit opinion.

On behalf of Management,

GREG BAYLIS
Chief Operating Officer

David Olafson
Controller

Manitoba Education, Research and Learning Information Networks (MERLIN)

May 21, 2003

www.merlin.mb.ca

Room 137 – Education Building, University of Manitoba, Winnipeg, MB R3T 2N2
TOLL FREE: 1-800-430-6404 TEL: (204) 474-7800 FAX: (204) 474-7830

MERLIN is a special operating agency with the Department of Energy, Science and Technology.

MANITOBA EDUCATION, RESEARCH AND LEARNING INFORMATION NETWORKS

An Agency of the Special Operating Agencies Financing Authority
Province of Manitoba

Financial Statements
For the year ended March 31, 2003

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BDO

BDO Dunwoody LLP
Chartered Accountants
and Consultants
www.bdo.ca

700 - 200 Graham Avenue
Winnipeg Manitoba Canada R3C 4L5
Telephone (204) 956-7200
Telefax (204) 926-7201

Auditors' Report

To the Special Operating Agencies Financing Authority:

We have audited the balance sheet of **MANITOBA EDUCATION, RESEARCH AND LEARNING INFORMATION NETWORKS**, an Agency of the Special Operating Agencies Financing Authority, Province of Manitoba as at March 31, 2003 and the statements of income and deficit, and cash flows for the year then ended. These financial statements are the responsibility of the Agency's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Agency as at March 31, 2003 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

BDO Dunwoody LLP

Chartered Accountants

Winnipeg, Manitoba
May 21, 2003

MANITOBA EDUCATION, RESEARCH AND LEARNING INFORMATION NETWORKS

An Agency of the Special Operating Agencies Financing Authority

Province of Manitoba

Balance Sheet

(In Thousands)

March 31	2003	2002
Assets		
Current Assets		
Cash and funds on deposit	$ 503	$ -
Accounts receivable	298	292
Prepaid expense	49	50
	850	342
Receivable from the Province of Manitoba (Note 2)	47	47
Capital assets (Note 3)	343	355
	$ 1,240	$ 744
Liabilities and Equity		
Current Liabilities		
Working capital advances (Note 4)	$ -	$ 717
Accounts payable and accrued expenses	462	221
Unearned revenue	80	39
Trust liabilities (Note 5)	87	109
	629	1,086
Cyberschools (Note 6)	887	-
Severance pay liability (Note 7)	58	52
	1,574	1,138
Commitments (Note 9)		
Deficit (Page 4)	(334)	(394)
	$ 1,240	$ 744

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

MANITOBA EDUCATION, RESEARCH AND LEARNING INFORMATION NETWORKS

An Agency of the Special Operating Agencies Financing Authority

Province of Manitoba

Statement of Income and Deficit

(In Thousands)

For the year ended March 31	2003	2002
Revenue		
Provincial licencing and purchasing	$ 1,337	$ 1,410
Internet services	338	440
Information technology services	293	240
Provincial technology standards	200	200
Electronic conferencing	203	150
Web delivery services	215	181
Technical training services	39	42
Cyberschools	1,493	-
Total revenue	4,118	2,663
Expenses		
Provincial licencing and purchasing	1,288	1,436
Internet services	497	551
Information technology services	298	238
Provincial technology standards	177	191
Electronic conferencing	148	156
Web delivery services	137	117
Technical training services	20	18
Cyberschools	1,493	-
Total expenses	4,058	2,707
Net Income (Loss)		
Provincial licencing and purchasing	49	(26)
Internet services	(159)	(111)
Information technology services	(5)	2
Provincial technology standards	23	9
Electronic conferencing	55	(6)
Web delivery services	78	64
Technical training services	19	24
Cyberschools	-	-
Total net income (loss) for the year	60	(44)
Deficit, beginning of year	(394)	(350)
Deficit, end of year	$ (334)	$ (394)

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

MANITOBA EDUCATION, RESEARCH AND LEARNING INFORMATION NETWORKS

An Agency of the Special Operating Agencies Financing Authority
Province of Manitoba
Statement of Cash Flows

(In Thousands)

For the year ended March 31	2003	2002
Cash Flows from Operating Activities		
Net income (loss) for the year	$ 60	$ (44)
Adjustment for		
Amortization	124	102
	184	58
Changes in non-cash working capital		
Accounts receivable	(6)	282
Prepaid expenses	1	(18)
Short-term investment	-	191
Accounts payable	241	(612)
Unearned revenue	41	(25)
Trust liability	(22)	(152)
	255	(334)
	439	(276)
Cash Flows from Investing Activities		
Capital assets	(112)	(161)
Cash Flows from Financing Activities		
Severance liability	6	6
Cyberschools	887	-
	893	6
Net increase (decrease) in cash and cash equivalents	1,220	(431)
Working capital advances, beginning of year	(717)	(286)
Cash (working capital advances), end of year	$ 503	$ (717)

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

Summary of Significant Accounting Policies

March 31, 2003

Basis of Reporting

The financial statements of the Agency are presented in accordance with Canadian generally accepted accounting principles.

Capital Assets

Capital assets are recorded at cost and are amortized annually on a straight-line basis as follows:

Computer hardware	20%
Computer software	20%
Equipment and furniture	20%

In the period of acquisition, amortization is calculated at one-half the rate indicated.

Financial Instruments

The Agency's financial instruments consist of accounts receivable, accounts payable and accrued expenses, trust liabilities and severance pay liability. Unless otherwise noted, it is management's opinion that the Agency is not exposed to significant interest, currency or credit risks arising from these financial instruments.

1. Nature of Organization

Effective April 1, 1995, Manitoba Education, Research and Learning Information Networks (MERLIN) was designated as a Special Operating Agency pursuant to The Special Operating Agencies Financing Authority Act, Cap S185, C.C.S.M. and operates under a charter approved by the Lieutenant Governor in Council. Effective September 25, 2002, the Agency operates as part of Energy, Science and Technology, under the general direction of the Deputy Minister.

The Agency is financed through the Special Operating Agencies Financing Authority (SOAFA). SOAFA has the mandate to hold and acquire assets required for and resulting from Agency operations. It finances the Agency through repayable loans and working capital advances. This financial framework enables the Agency to operate in a business like manner according to public policy expectations.

A Management Agreement between SOAFA and the Minister of Energy, Science and Technology assigns responsibility to the Agency to manage and account for the Agency related assets and operations on behalf of SOAFA.

The Agency remains bound by relevant legislation and regulations. It is also bound by administrative policy except where specific exemptions have been provided in its charter in order to meet business objectives.

The Agency is economically dependent on the Province of Manitoba as it derives much of its revenue and all of its financing requirements from the Province.

2. Receivable from the Province of Manitoba

The receivable from the Province of Manitoba is made up of vacation entitlement earned by the employees of the Agency prior to creation of the Special Operating Agency on April 1, 1995 and for severance pay benefits earned prior to April 1, 1998. This receivable, or portion thereof, for the Agency, will be collected in the event there is a cash shortfall. However, this is only likely to happen on dissolution of the Agency. The balance is consists of:

	2003	2002
Vacation entitlements	$ 19	$ 19
Severance pay benefits	28	28
	$ 47	$ 47

3. Capital Assets

	2003		2002	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Computer hardware	$ 451	$ 194	$ 393	$ 157
Computer software	52	40	57	35
Equipment and furniture	184	110	173	76
	$ 687	$ 344	$ 623	$ 268
Cost less accumulated amortization		$ 343		$ 355

4. Working Capital Advances

These advances are provided to the Agency through the Special Operating Agencies Financing Authority pursuant to the Management Agreement. The Agency has an authorized line of working capital advances of $2.0 million.

During the year, the Agency incurred interest charges of $12 (2002 - $6).

5. Trust Liabilities

The Agency entered into an agreement with Industry Canada to operate a Grassroots Internet project for both Manitoba and Canadian Schools. The balance in the account represents funds paid to the Agency but not yet disbursed to the schools.

	2003	2002
Grassroots Internet	$ 87	$ 109

6. Cyberschools

The Agency has entered into an agreement with Community Connections to develop, implement and operate a province-wide communication gateway/portal to support K-S4 education and Community Connections lifelong learners. The service will include access to secure email, calendars, and file storage.

The contribution from Community Connections is $3,255, with payments scheduled as follows:

February 2003	$	2,380
April 2003		875
Total payments	$	3,255

During the year ended March 31, 2003, receipts and disbursements are as follows:

Receipts	$	2,380
Disbursements		1,493
Deferred balance as at March 31, 2003	$	887

7. Severance Pay Liability

Effective April 1, 1998, the Agency began recording accumulated severance pay benefits for its employees. The estimate of the liability at that time was based on an actuarial valuation report.

The Province has accepted responsibility for the severance benefits accumulated by the Agency's employees to March 31, 1998. Accordingly, the opening severance pay liability balance as at April 1, 1998 calculated at $28 was completely offset by a receivable from the Province.

In accordance with the formula provided in the most recent actuarial valuation report (March 31, 2000), the Agency's liability has been calculated to be $58 as at May 21, 2003 ($52 - March 31, 2002).

8. Revenue - Manitoba Education, Training and Youth

The Agency is responsible for the delivery of distance education and technology programs formerly provided through the Manitoba Education, Training and Youth. The Agency receives a fee from the Department, established annually and paid quarterly, in exchange for delivery of these services.

9. Commitments

The Agency leases office space under a long-term lease. The future minimum payments required under these leases over the next four fiscal years are:

2004	$	52
2005		52
2006		52
2007		26

MANITOBA EDUCATION, RESEARCH AND LEARNING INFORMATION NETWORKS

An Agency of the Special Operating Agencies Financing Authority

Province of Manitoba

Schedule of Public Sector Compensation Disclosure

(In Thousands)

For the year ended March 31, 2003

Employee	Title	Compensation
Ackland, Catherine	Conferencing Coordinator	$ 55
Baylis, Greg	Chief Operating Officer	83
Greider, Warren	Consultant, Internet Technologies	60
Hiebert, John	Consultant, Networking Technologies	54
Jennings, Debra	Regional Representative	55
Lafond-D'Heilly, Colette	Communications and Marketing Manager	52
Wallin, Grant	Manager, Information and Communication Technologies	69

The Public Sector Compensation Disclosure Act requires all publicly funded bodies to disclose compensation to any employee or board member when such compensation exceeds $50 per annum.

LAND MANAGEMENT SERVICES

FINANCIAL STATEMENTS

MARCH 31, 2003

LAND MANAGEMENT SERVICES
308 - 25 Tupper Street N.
Winnipeg, MB
R1N 3K1

May 12, 2003

Dear Sir/Madame:

In connection with your audit of the financial statements of Land Management Services for the year ended March 31, 2003, we hereby confirm that to the best of our knowledge and belief:

1. We are responsible for the fair presentation of the financial statements of the program prepared in accordance with generally accepted accounting principles.
2. We understand that your audit was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as you considered necessary in the circumstances for the purpose of expressing an opinion on the financial statements. We also understand that such an audit would not necessarily disclose irregularities, should there be any.
3. We have made available to you all financial records and related data.
4. The financial statements of the agency:
    - (a) present on a fair and consistent basis all assets and all known liabilities of the agency at the year end;
    - (b) fairly reflect and summarize on a consistent basis the results of all transactions entered into by the agency during the year; and
    - (c) record only those assets to which the agency has title and reflect only those transactions properly related to the activities of the program.
5. All assets, wherever located, to which the agency had satisfactory title at the year end, have been fairly stated and recorded in the financial statements.
6. The estimated useful lives of capital assets, as disclosed in the financial statements, are a reasonable basis for amortization. Appropriate provisions have been made for idle or obsolete assets.
7. There are no direct or contingent liabilities, unusual contractual obligations nor any substantial commitments, other than in the ordinary course of business, which would materially affect the financial statements or financial position of the program, except as disclosed in the financial statements.
8. We are not aware of any illegal or possibly illegal acts for which we have not disclosed to you all the facts related thereto.
9. There are no outstanding legal actions or possible claims which have not been provided for or disclosed in the financial statements.

10. There have been no irregularities involving management or employees who have significant roles in the system of internal control.
11. There have been no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
12. No events or transactions other than those disclosed in the financial statements have occurred subsequent to the balance sheet date that would require adjustment to, or disclosure in, the financial statements.

Yours sincerely,

Land Management Services

Per: ____________ Title: COO Date: JUNE 24/03

Per: ____________ Title: [illegible] Date: Jun 24/2003

LAND MANAGEMENT SERVICES
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA

INDEX TO FINANCIAL STATEMENTS
MARCH 31, 2003

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MAGNUS & BUFFIE

CHARTERED ACCOUNTANTS

AUDITORS' REPORT

To the Special Operating Agencies Financing Authority

We have audited the balance sheet of Land Management Services, an Agency of the Special Operating Agencies Financing Authority, Province of Manitoba as at March 31, 2003 and the statements of income and retained earnings and cash flow for the year then ended. These financial statements are the responsibility of the Agency's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Agency as at March 31, 2003 and the results of its operations and cash flow for the year then ended in accordance with Canadian generally accepted accounting principles.

Magnus & Buffie

May 12, 2003

CHARTERED ACCOUNTANTS

LAND MANAGEMENT SERVICES
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA

BALANCE SHEET
(in thousands)
MARCH 31, 2003

	2003	2002
ASSETS		
CURRENT ASSETS		
Cash and short term deposits	$ 624	$ 1,040
Accounts receivable	64	104
Surplus properties recoverable	-	67
Work in process	55	97
Prepaid expenses	64	13
	807	1,321
DISCHARGE FUNDS HELD IN TRUST (Note 3)	3	3
RECEIVABLE FROM PROVINCE OF MANITOBA (Notes 4 and 8)	324	324
CAPITAL ASSETS (Note 5)	237	313
	$ 1,371	$ 1,961
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	$ 177	$ 243
Property proceeds payable (Note 9)	522	295
Current portion of client funds payable	177	-
	876	538
SEVERANCE PAY LIABILITY (Note 8)	186	235
CLIENT FUNDS PAYABLE	-	310
UNEARNED REVENUE (Note 3)	5	3
	1,067	1,086
EQUITY		
RETAINED EARNINGS	304	875
	$ 1,371	$ 1,961

LAND MANAGEMENT SERVICES
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA

STATEMENT OF INCOME AND RETAINED EARNINGS

(in thousands)

FOR THE YEAR ENDED MARCH 31, 2003	2003	2002
RECOVERIES	$ 1,960	$ 2,210
OTHER INCOME	16	10
INCOME BEFORE EXPENSES	1,976	2,220
EXPENSES		
Administrative (Page 8)	682	578
Operating (Page 8)	130	139
Wages and benefits	1,485	1,351
	2,297	2,068
NET (LOSS) INCOME FOR THE YEAR	(321)	152
RETAINED EARNINGS, beginning of year	875	973
	554	1,125
REVENUE SHARING - PROVINCE OF MANITOBA	250	250
RETAINED EARNINGS, end of year	$ 304	$ 875

LAND MANAGEMENT SERVICES
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA

STATEMENT OF CASH FLOW
(in thousands)

FOR THE YEAR ENDED MARCH 31, 2003	**2003**	**2002**
CASH FLOW FROM (USED IN)		
OPERATING ACTIVITIES		
Net (loss) income for the year	$ (321)	$ 152
Adjustments for		
Amortization	158	179
Severance pay expense	(49)	6
	(212)	337
Changes in the following		
Accounts receivable	40	102
Surplus properties recoverable	67	(67)
Work in process	42	(28)
Prepaid expenses	(51)	(4)
Accounts payable and accrued liabilities	(66)	(28)
Accounts payable - Province of Manitoba	-	(396)
Property proceeds payable	226	295
	46	211
FINANCING ACTIVITIES		
Revenue sharing - Province of Manitoba	(250)	(250)
Change in client funds payable	(132)	233
	(382)	(17)
INVESTING ACTIVITY		
Capital asset additions	(80)	(53)
CHANGE IN CASH AND SHORT TERM DEPOSITS	(416)	141
CASH AND SHORT TERM DEPOSITS, beginning of year	1,040	899
CASH AND SHORT TERM DEPOSITS, end of year	$ 624	$ 1,040

LAND MANAGEMENT SERVICES
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA

NOTES TO FINANCIAL STATEMENTS
(in thousands)
MARCH 31, 2003

1. NATURE OF ORGANIZATION

In 1965, The Land Acquisition Act was passed into law, bringing the Land Acquisition Branch into existence to provide a consistent process of real estate acquisition by government

Effective April 1, 1995, the Land Acquisition Branch, under the operating name Land Management Services ("LMS"), was designated as a Special Operating Agency pursuant to The Special Operating Agencies Financing Authority Act, Cap. s185, C.C.S.M. and operates under a charter approved by the Lieutenant Governor in Council.

LMS is financed through the Special Operating Agencies Financing Authority (SOAFA). The Financing Authority has the mandate to hold and acquire assets required for and resulting from LMS operations. It finances LMS through repayable loans and working capital advances. The financial framework provides increased management authority which, coupled with more rigourous planning and reporting requirements afforded by Special Operating status, assist LMS to sustain the provision of high quality land acquisition services to its clients.

A Management Agreement between the Financing Authority and the Minister of Government Services assigns responsibility to LMS to manage and account for LMS related assets and operations on behalf of the Financing Authority.

LMS continues to be part of Manitoba Government Services under the general direction of the Assistant Deputy Minister, and ultimately the policy direction of the Deputy Minister and Minister of Transportation and Government Services.

LMS remains bound by relevant legislation and regulations. It is also bound by administrative policy except where specific exemptions have been provided for in its charter in order to meet business objectives.

LMS is economically dependent on the Province of Manitoba because it derives most of its revenue and all of its financing requirements from the Province through the Financing Authority.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Capital assets

Capital assets are recorded at cost and are amortized annually at the following rates and methods:

Computer software and equipment	20% straight line basis, 10% in year of acquisition
Equipment - office	20% straight line basis, 10% in year of acquisition
Leasehold improvements	20% straight line basis, 10% in year of acquisition

(b) Use of estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

3. DISCHARGE FUNDS HELD IN TRUST AND UNEARNED REVENUE

Discharge funds held in trust and the majority of unearned revenue represents the fee for finalizing to consolidate titles on discharge of mortgages on properties being consolidated. This fee is put into a special interest bearing trust account and the revenue deferred. When the mortgage is discharged the deferred revenue will be recognized and the funds released from the trust account. It is estimated some files could be completed in as little as two years and as many as 20 years.

4. RECEIVABLE FROM PROVINCE OF MANITOBA

The receivable from the Province of Manitoba is for vacation and severance entitlements earned by the employees of LMS prior to creation of the Special Operating Agency and severance pay benefits prior to April 1, 1998. The balance is comprised of:

	2003	2002
Vacation entitlements	$ 132	$ 132
Severance pay benefits (Note 8)	192	192
	$ 324	$ 324

The timing and collection of these receivables will vary. The receivable, or portion thereof, will be collected in the event that there is a cash shortfall. However, this is only likely to happen on the dissolution of LMS.

5. CAPITAL ASSETS

	Cost	Accumulated Amortization	Net Book Value 2003	Net Book Value 2002
Computer software and equipment	$ 1,076	$ 880	$ 196	$ 261
Equipment - office	89	53	36	45
Leasehold improvements	7	2	5	7
	$ 1,172	$ 935	$ 237	$ 313

6. WORKING CAPITAL

LMS has an authorized line of working capital of $800, none of which was accessed at March 31, 2003.

7. PROPERTY PROCEEDS PAYABLE

LMS disposes of general Federal, Provincial operating agency and Municipal properties on a cost recovery basis. As at March 31, 2003, LMS had received proceeds on sales in excess of disposition costs of $522 (2002 - $295) which is outstanding and due to the various entities at year-end.

8. SEVERANCE PAY LIABILITY

Effective April 1, 1998, LMS began recording accumulated severance pay benefits for its employees. The estimate of the liability is based on the method of calculation set by the Province.

The Province has accepted responsibility for the severance benefits accumulated by LMS's employees to March 31, 1998. Accordingly, the opening severance pay liability balance as at April 1, 1998 calculated at $188 was completely offset by a receivable from the Province.

An actuarial valuation report of LMS's severance as at March 31, 2000 was completed in prior years. The receivable from the Province was restated to $192 as a result of the actuarial valuation. The report provides a formula to update the liability on an annual basis. In accordance with the formula, the LMS's actuarial liability has been calculated to be $186 as at March 31, 2003.

9. SURPLUS PROPERTIES

LMS is responsible for the disposition of certain surplus crown-owned properties. In accordance with direction from the Provincial Treasury Board, LMS has established a $200 reserve account within retained earnings to cover any aggregate annual disposition costs which exceed the proceeds of surplus Crown-owned properties offered for sale. LMS can retain excess proceeds over disposition costs of surplus Crown-owned properties to the extent of any cumulative unrecovered historical shortages.

During the year LMS experienced a $129 shortage (2002 - $nil). The cumulative unrecorded historical shortage is $129, leaving $71 in the reserve account.

10.LEASE COMMITMENTS

LMS has not entered into a lease agreement with the Province of Manitoba for rental facilities at 25 Tupper Street N. Occupancy charges for the year ending March 30, 2004 are estimated to be $98 (2003 - $98).

LMS is also leasing computers and vehicles from the Province of Manitoba, with future estimated lease payments as follows:

Year	Amount
2004	$ 66
2005	13

LAND MANAGEMENT SERVICES
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA

SCHEDULE OF EXPENSES
(in thousands)
FOR THE YEAR ENDED MARCH 31, 2003

	2003	2002
ADMINISTRATIVE		
Amortization	$ 158	$ 179
Computer maintenance	34	46
Contributed services	170	38
Human resources overhead	18	18
Occupancy costs	104	112
Other	50	64
Supplies	105	115
Training	43	6
	$ 682	$ 578

	2003	2002
OPERATING		
Printing, postage and advertising	$ 20	$ 27
Professional fees	38	33
Telephone	25	30
Travel	47	49
	$ 130	$ 139

LAND MANAGEMENT SERVICES
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA

SCHEDULE OF PUBLIC SECTOR COMPENSATION DISCLOSURE
(in thousands)
FOR THE YEAR ENDED MARCH 31, 2003

The Public Sector Compensation Disclosure Act requires all publicly funded bodies to disclose compensation to any employee or board member when such compensation exceeds $50 per annum. This information follows:

EMPLOYEE	**TITLE**	**COMPENSATION**	
		2003	**2002**
John Wiebe	Property Appraiser	$ 75	$ -
Raeburn Csversko	Chief Operating Officer	73	69
Lawrence Mayer	Property Appraiser	65	51
Garfield Minkus	Property Appraiser	57	56
Scott Millar	Property Appraiser	57	55
Richard Staub	Property Appraiser	55	55
Normand Le Neal	Controller	55	53
Edwin Froese	Property Appraiser	55	-
Brett Ferguson	Property Appraiser	52	-
McLeod Jerry	Property Appraiser	50	-
Wes Shewchuk	Property Appraiser	-	77

MAGNUS & BUFFIE
CHARTERED ACCOUNTANTS

AUDITORS' REPORT

To Land Management Services

We have audited the statement of receipts and disbursements of the Sale of Surplus Properties for the year ended March 31, 2003. This financial statement is the responsibility of the Agency's management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, this financial statement presents fairly, in all material respects, the receipts and disbursements of the Sale of Surplus Properties for the year ended March 31, 2003, in accordance with Canadian generally accepted accounting principles.

Magnus & Buffie

May 12, 2003

CHARTERED ACCOUNTANTS

1810 - 444 ST. MARY AVENUE · WINNIPEG, MANITOBA · R3C 3T1 · PHONE (204) 942-4441 · FAX (204) 944-0400

LAND MANAGEMENT SERVICES
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA

SALE OF SURPLUS PROPERTIES
STATEMENT OF RECEIPTS AND DISBURSEMENTS
FOR THE YEAR ENDED MARCH 31, 2003

Total receipts	$ 314,194
Total disbursements	87,749
Excess of receipts over disbursements	$ 226,445

NOTE TO STATEMENT OF RECEIPTS AND DISBURSEMENTS
MARCH 31, 2003

REPORTING ENTITY

In 1988, a program submission to the Government to identify and market land surplus to Government needs was approved.

The program was designed to relieve Government departments of the financial burden of marketing and disposal. Proceeds from the sale of surplus properties for all departments are held in trust with all marketing and disposal costs paid from the proceeds. Any surplus of proceeds over costs are returned to the consolidated fund annually.

PINELAND FOREST NURSERY
An Agency of the Special Operating Agencies Financing Authority

Financial Statements
For the year ended March 31, 2003

BDO

BDO Dunwoody LLP
Chartered Accountants
and Consultants

Pineland
Forest Nursery

MANAGEMENT REPORT

The accompanying financial statements are the responsibility of the management of Pineland Forest Nursery and have been prepared in accordance with generally accepted accounting principles. In management's opinion the financial statements have been properly prepared within reasonable limits of materiality, incorporating management's best judgement regarding all necessary estimates and all other data up to May 27, 2003.

Management maintains internal controls to properly safeguard the assets and to provide reasonable assurance that the books and records from which the financial statements are derived accurately reflect all transactions and that established policies and procedures are followed.

The responsibility of the Auditor is to express an independent opinion on whether the financial statements of Pineland Forest Nursery are fairly represented in accordance with generally accepted accounting principles. The Auditor's Report outlines the scope of the audit examination and provides the audit opinion.

Trevor Stanley
General Manager

May 27, 2003

PINELAND FOREST NURSERY
An Agency of the Special Operating Agencies Financing Authority

Financial Statements
For the year ended March 31, 2003

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BDO

BDO Dunwoody LLP
Chartered Accountants
and Consultants
www.bdo.ca

700 - 200 Graham Avenue
Winnipeg Manitoba Canada R3C 4L5
Telephone (204) 956-7200
Telefax (204) 926-7201

Auditors' Report

To The Special Operating Agencies Financing Authority:

We have audited the balance sheet of **PINELAND FOREST NURSERY, An Agency of the Special Operating Agencies Financing Authority, Province of Manitoba** as at March 31, 2003 and the statements of income, retained earnings and cash flows for the year then ended. These financial statements are the responsibility of the Nursery's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Nursery as at March 31, 2003, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

BDO Dunwoody LLP

Chartered Accountants

Winnipeg, Manitoba
May 27, 2003

PINELAND FOREST NURSERY

An Agency of the Special Operating Agencies Financing Authority

Balance Sheet

(in thousands)

March 31		2003		2002
Assets				
Current Assets				
Accounts receivable (Note 2)	$	388	$	470
Unbilled revenue		252		54
Inventory		147		168
Prepaid expenses		50		42
		837		734
Receivable from the Province of Manitoba (Note 3)		187		187
Capital assets (Note 4)		2,538		2,747
	$	3,562	$	3,668
Liabilities and Equity				
Current Liabilities				
Working capital advances (Note 5)	$	2,237	$	2,143
Accounts payable and accrued liabilities		149		158
Current portion of long-term debt (Note 6)		47		43
		2,433		2,344
Long-term debt (Note 6)		51		97
Severance pay liability (Note 7)		134		121
		2,618		2,562
Contributed equity (Note 8)		356		356
Retained earnings (Page 5)		588		750
		944		1,106
	$	3,562	$	3,668

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

PINELAND FOREST NURSERY
An Agency of the Special Operating Agencies Financing Authority
Statement of Income
(in thousands)

For the year ended March 31	2003	2002
Revenue		
Private sector		
Overwinter	$ 846	$ 1,018
Current	229	384
Seed services	163	146
Tree improvement	73	3
Poplar program	4	5
Other	-	3
	1,315	1,559
Province of Manitoba		
Overwinter	1,211	1,195
Current	328	496
Seed services	18	12
Other	1	-
	1,558	1,703
	2,873	3,262
Expenses		
Salaries and benefits	1,408	1,558
Operating expenses (Page 11)	1,184	1,154
Amortization - capital assets	361	367
Interest - operating loan	69	104
Interest - capital loan	13	16
	3,035	3,199
Net income for the year (Page 5)	$ (162)	$ 63

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

PINELAND FOREST NURSERY

An Agency of the Special Operating Agencies Financing Authority

Statement of Retained Earnings

(in thousands)

For the year ended March 31	2003	2002
Retained earnings, beginning of year	$ 750	$ 687
Net income for the year (Page 4)	(162)	63
Retained earnings, end of year (Page 3)	$ 588	$ 750

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

PINELAND FOREST NURSERY
An Agency of the Special Operating Agencies Financing Authority
Statement of Cash Flows
(in thousands)

For the year ended March 31	2003	2002
Cash Flows from Operating Activities		
Net income for the year	$ (162)	$ 63
Adjustment for		
Amortization - capital assets	361	367
	199	430
Changes in non-cash working capital		
Accounts receivable	82	(273)
Short-term deposits	-	301
Unbilled revenue	(198)	140
Inventory	21	(19)
Prepaid expenses	(8)	(10)
Accounts payable and accrued liabilities	(9)	(38)
Pension liability	-	(330)
Severance pay liability	13	12
	(99)	(217)
	100	213
Cash Flows from Investing Activities		
Acquisition of capital assets	(151)	(260)
Cash Flows from Financing Activities		
Repayment of long-term debt	(43)	(39)
Net decrease in cash and cash equivalents	(94)	(86)
Cash and cash equivalents, beginning of year	(2,143)	(2,057)
Cash and cash equivalents, end of year	$ (2,237)	$ (2,143)
Supplementary Information		
Interest paid	$ 82	$ 120

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

PINELAND FOREST NURSERY

An Agency of the Special Operating Agencies Financing Authority

Summary of Significant Accounting Policies

(in thousands)

March 31, 2003

Basis of Reporting

The financial statements of the Nursery have been prepared in accordance with Canadian generally accepted accounting principles.

Inventory

Supplies inventory is valued at the lower of cost and replacement cost.

Capital Assets

Capital assets are recorded at cost and amortized on a declining balance basis at the following rates:

Greenhouses, coldframes, freezers, holding area, minor service buildings, major pump-house, major service buildings, propane conversion	10%
Equipment	20% - 30%

Amortization on current year additions is pro-rated based on the length of time in use in the current year.

Accrued Vacation Entitlement

The Nursery follows the policy of the Department of Finance to recognize the vacation entitlement liability accumulated to March 31, 1995. The liability at this date is offset by a receivable from the Province and was $99 as at March 31, 1995. Any subsequent changes to the entitlement are reflected as a current year expense to the Nursery. As at March 31, 2003 there was a decrease to the entitlement in the amount of $10. The accrued vacation entitlement was $103 as of March 31, 2003 (2002 - $113) and is included in accounts payable and accrued liabilities.

Revenue Recognition

Revenues are recognized on a percentage of completion basis. Any excess of revenue recorded on a percentage of completion basis over amounts billed is recorded as unbilled revenue.

Financial Instruments

The Nursery's financial instruments consist of accounts receivable, unbilled revenue, working capital advances, accounts payable and accrued liabilities, long-term debt and severance pay liability. Unless otherwise noted, it is management's opinion that the Nursery is not exposed to significant interest, currency, or credit risks arising from these financial instruments.

It is management's opinion that the fair value of these financial instruments approximates their carrying value.

1. Nature of Organization

In 1953, Pineland Provincial Forestry Nursery was established to meet all the nursery stock requirements of the province at one location. Prior to 1953 there were several small nurseries located throughout the province. Effective April 1, 1995, Pineland Forest Nursery was designated as a special operating agency under The Special Operating Agencies Financing Authority Act (C.C.S.M. c.S185) and operates under a charter approved by the Lieutenant Governor in Council.

A management agreement between the Financing Authority and the Minister of Conservation assigns responsibility to the Nursery to manage and account for the agency related assets and operations on behalf of the Financing Authority. Pineland Forest Nursery continues to be part of the Manitoba Conservation under the general direction of the Assistant Deputy Minister of Conservation and ultimately the policy direction of the Deputy Minister and the Minister. Pineland Forest Nursery remains bound by relevant legislation of regulations. It is also bound by administrative policy, except where specific exemptions have been provided for in its charter in order to meet business objectives.

Pineland Forest Nursery is economically dependent on the Province of Manitoba, because it derives a significant portion of its revenue from the province and all of its financing requirements through the Financing Authority.

2. Accounts Receivable

	2003	2002
Trade Receivables		
Province of Manitoba	**$ 231**	$ 228
Other	**196**	284
	427	512
Allowance for doubtful accounts	**(39)**	(42)
	$ 388	$ 470

3. Receivable from the Province of Manitoba

The receivable from the Province of Manitoba is made up of vacation entitlements earned by the employees of the Nursery prior to creation of the Special Operating Agency on April 1, 1995 and for severance pay benefits earned prior to April 1, 1998. This receivable, or portion thereof, for the Nursery, will be collected in the event there is a cash shortfall. However, this is only likely to happen on dissolution of the Nursery. The balance is comprised of:

	2003	2002
Vacation entitlements	$ 99	$ 99
Severance pay benefits	88	88
	$ 187	$ 187

4. Capital Assets

	2003		2002	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Buildings	$ 3,882	$ 1,883	$ 3,824	$ 1,665
Equipment	1,398	859	1,304	716
	$ 5,280	$ 2,742	$ 5,128	$ 2,381
Cost less accumulated amortization		$ 2,538		$ 2,747

5. Working Capital Advances

The Financing Authority has provided the Nursery with an authorized line of working capital of $3,000 of which $2,237 was advanced at March 31, 2003 (2002 - $2,143).

6. Long-term Debt

	2003	2002
Loan payable	$ 98	$ 140
Current portion of long-term debt	(47)	(43)
	$ 51	$ 97

The Financing Authority assumed a loan payable to the Province of Manitoba on behalf of the Nursery as specified in the Management Agreement. The loan payable was issued for $356 at an interest rate of 9% repayable by the Nursery in annual installments of $55 principal and interest, maturing in 2005. Principal repayments over the next two years are as follows:

2004	$ 47
2005	51

7. Severance Pay Liability

Effective April 1, 1998, the Nursery began recording accumulated severance pay benefits for its employees. The estimate of the liability is based on an actuarial valuation report.

The Province has accepted responsibility for the severance benefits accumulated by the Nursery's employees to March 31, 1998. Accordingly, the opening severance pay liability balance as at April 1, 1998 calculated at $88 was completely offset by a receivable from the Province.

The report provides a formula to update the liability on an annual basis. In accordance with the formula, the Nursery's actuarial liability has been calculated to be $134 as at March 31, 2003 (2002 - $121).

8. Contributed Equity

The Special Operating Agencies Financing Authority and the Province of Manitoba entered into a Transfer Agreement respecting the transfer from the Province to the Financing Authority of inventory and capital assets valued at $712 required for the continuing operations of Pineland Forest Nursery as at March 31, 1995. The Nursery is responsible to repay the Special Operating Agencies Financing Authority the debt portion, in the amount of $356 (being half of the value of the assets) and to record the remainder as the Province's equity in the Financing Authority as related to the Nursery's operations.

PINELAND FOREST NURSERY
An Agency of the Special Operating Agencies Financing Authority
Schedule of Operating Expenses
(in thousands)

For the year ended March 31	2003	2002
Supplies	$ 279	$ 342
Natural gas and hydro	396	323
Repairs and maintenance	206	144
Property taxes and insurance	83	79
Office	87	87
Departmental services and professional fees	48	36
Freight	38	54
Marketing	25	8
Travel	25	39
Bad debts (recovery)	(3)	42
	$ 1,184	$ 1,154

PINELAND FOREST NURSERY
An Agency of the Special Operating Agencies Financing Authority
Schedule of Public Sector Compensation Disclosure
(in thousands)

For the year ended March 31		2003	2002
Employee	**Title**	**Compensation**	
Ivan Balenovic	Chief Executive Officer	$ -	$ 77

The Public Sector Compensation Disclosure Act requires all publicly funded bodies to disclose compensation to any employee or board member when such compensation exceeds $50 per annum.

COMPANIES OFFICE

FINANCIAL STATEMENTS

MARCH 31, 2003

REPONSIBILITY FOR FINANCIAL REPORTING

The Agency's management is responsible for preparing the financial statements and other financial information in the Annual Report. This responsibility includes maintaining the integrity and objectivity of financial data and the presentation of the Agency's financial position and results of operations in accordance with generally accepted accounting principles. The financial statements include amounts that are based on management's best estimates and judgements. The Agency's financial statements have been audited by Magnus & Buffie, independent external auditors.

The Agency maintains a system of internal controls throughout its operation that provides reasonable assurance that transactions are authorized, properly recorded and reported, and that assets are safeguarded.

The Advisory Board meets regularly with management to review accounting practices, financial reporting and to discuss audit results. The auditors have free and full access to this Board, if required to discuss the results of their audit and their views on the adequacy of internal controls and the quality of financial reporting.

On Behalf of Management;

Myron Pawlowsky
Chief Operating Officer

Dave Rudy
Controller

COMPANIES OFFICE
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA

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MARCH 31, 2003

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MAGNUS & BUFFIE
CHARTERED ACCOUNTANTS

AUDITORS' REPORT

To the Special Operating Agencies Financing Authority

We have audited the balance sheet of the Companies Office, an Agency of the Special Operating Agencies Financing Authority, Province of Manitoba as at March 31, 2003 and the statements of earnings and retained earnings and cash flow for the year then ended. These financial statements are the responsibility of the Agency's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Agency as at March 31, 2003 and the results of its operations and cash flow for the year then ended in accordance with Canadian generally accepted accounting principles.

Magnus & Buffie

CHARTERED ACCOUNTANTS

May 22, 2003

COMPANIES OFFICE
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA

BALANCE SHEET
(in thousands)
MARCH 31, 2003

	2003	2002
ASSETS		
CURRENT ASSETS		
Cash and Short Term Deposits	$ 1,736	$ 1,502
Accounts Receivable (Note 4)	92	108
Prepaid Expenses	15	16
	1,843	1,626
RECEIVABLE FROM PROVINCE OF MANITOBA (Note 5)	218	218
CAPITAL ASSETS (Note 6)	86	59
	$ 2,147	$ 1,903
LIABILITIES		
CURRENT LIABILITIES		
Accounts Payable and Accrued	$ 70	$ 59
Accrued Vacation Entitlements	149	140
	219	199
SEVERANCE PAY LIABILITY (Note 7)	206	195
	425	394
EQUITY		
RETAINED EARNINGS	1,722	1,509
	$ 2,147	$ 1,903

COMPANIES OFFICE
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA

STATEMENT OF EARNINGS AND RETAINED EARNINGS
(in thousands)

FOR THE YEAR ENDED MARCH 31, 2003	2003	2002
REVENUE		
Fees and Services	$ 4,648	$ 4,126
Less: Gazette Advertising	19	267
	4,629	3,859
Interest	33	50
	4,662	3,909
EXPENSES		
Salaries and Employee Benefits	1,397	1,325
Operating Expenses (Page 7)	2,034	710
Amortization - Capital Assets	18	12
	3,449	2,047
NET EARNINGS FOR THE YEAR	1,213	1,862
RETAINED EARNINGS, Beginning of Year	1,509	1,607
	2,722	3,469
REVENUE SHARE TO PROVINCE OF MANITOBA	1,000	1,960
RETAINED EARNINGS, End of Year	$ 1,722	$ 1,509

COMPANIES OFFICE
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA

STATEMENT OF CASH FLOW
(in thousands)

FOR THE YEAR ENDED MARCH 31, 2003	2003	2002
CASH FLOW FROM (USED IN)		
OPERATING ACTIVITIES		
Net Earnings for the Year	$ 1,213	$ 1,862
Adjustments for		
Amortization - Capital Assets	18	12
Severance Pay Expense	11	18
	1,242	1,892
Changes in the following		
Accounts Receivable	16	55
Prepaid Expenses	1	-
Accounts Payable and Accrued	10	(300)
Accrued Vacation Entitlements	9	8
	1,278	1,655
FINANCING ACTIVITY		
Revenue Share to Province of Manitoba	(1,000)	(1,960)
INVESTING ACTIVITY		
Capital Asset Additions	(44)	(44)
CHANGE IN CASH AND SHORT TERM DEPOSITS	234	(349)
CASH AND SHORT TERM DEPOSITS, Beginning of Year	1,502	1,851
CASH AND SHORT TERM DEPOSITS, End of Year	$ 1,736	$ 1,502

NOTES TO FINANCIAL STATEMENTS
(in thousands)
MARCH 31, 2003

1. NATURE OF ORGANIZATION

Effective April 1, 1996, the Lieutenant Governor in Council designated the Companies Office (the "Agency") as a special operating agency under The Special Operating Agencies Financing Authority Act (C.C.S.M. cS185) by Order in Council. Another Order also gave approval to the Special Operating Agencies Financing Authority (SOAFA) and the Minister of Consumer and Corporate Affairs, being the Minister responsible for the Agency, to enter into a management agreement with respect to the Agency. The management agreement assigns responsibility to the Agency to manage and account for the Agency related assets and operations on behalf of SOAFA. SOAFA has the mandate to hold and acquire assets required for and resulting from Agency operations. This financial framework enables the Agency to operate in a business like manner according to public policy expectations.

The Agency is part of Manitoba Consumer and Corporate Affairs Division in the Department of Finance under the general direction of the Minister, Finance, the Deputy Minister and Assistant Deputy Minister who is also Chairperson of the Companies Office Advisory Board.

The Agency remains bound by relevant legislation and regulation. It is also bound by administrative policy except where specific exemptions have been provided for in its charter in order to meet business objectives.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Reporting: The financial statements have been prepared in accordance with generally accepted accounting principles.

Capital Assets: Capital assets are amortized over their estimated useful lives as follows:

Computer Equipment and Software	20% straight line (10% in year of acquisition)
Office Equipment	20% straight line (10% in year of acquisition)
Furniture and Fixtures	20% straight line (10% in year of acquisition)

3. FINANCING ARRANGEMENTS

Working capital advances and long-term financing for significant capital purchases are provided to the Agency through the Special Operating Agencies Financing Authority. The Financing Authority has approved a $100 limit in working capital advances. The Agency did not access working capital advances during the year.

4. ACCOUNTS RECEIVABLE

	2003	2002
Trade	$ 21	$ 18
Accrued Revenue	71	90
	$ 92	$ 108

5. RECEIVABLE FROM PROVINCE OF MANITOBA

The receivable from the Province of Manitoba is for vacation and severance entitlements earned by the employees of the Agency prior to creation of the Special Operating Agency and severance pay benefits prior to April 1, 1998. The balance is comprised of:

	2003	2002
Vacation Entitlements	$ 92	$ 92
Severance Pay Benefits (Note 7)	126	126
	$ 218	$ 218

The timing of the collection of these receivables will vary. The receivable, or portion thereof, will be collected in the event that there is a cash shortfall. However, this is only likely to happen on the dissolution of the Agency.

6. CAPITAL ASSETS

	Cost	Accumulated Amortization	Net Book Value 2003	2002
Computer Equipment and Software	$ 34	$ 28	$ 6	$ 10
Office Equipment	11	7	4	5
Furniture and Fixtures	96	20	76	44
	$ 141	$ 55	$ 86	$ 59

7. SEVERANCE PAY LIABILITY

Effective April 1, 1998, the Agency began recording accumulated severance pay benefits for its employees. The estimate of the liability is based on the method of calculation set by the Province.

The Province has accepted responsibility for the severance benefits accumulated by the Agency's employees to March 31, 1998. Accordingly, the opening severance pay liability balance as at April 1, 1998 calculated at $170 was completely offset by a receivable from the Province.

An actuarial valuation report of the Agency's severance as at March 31, 2000 was completed in prior years. The receivable from the Province was estimated at $126 as a result of the actuarial valuation. The report provides a formula to update the liability on an annual basis. In accordance with the formula, the Agency's actuarial liability has been calculated to be $206 as at March 31, 2003.

8. LEASE COMMITMENTS

The Agency has not entered into a lease agreement with the Province of Manitoba for rental facilities at 405 Broadway. Occupancy charges for the year ending March 30, 2004 are estimated to be $122 (2003 - $118).

COMPANIES OFFICE
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA

SCHEDULE OF OPERATING EXPENSES
(in thousands)
FOR THE YEAR ENDED MARCH 31, 2003

	2003	2002
Accounting	$ 16	$ 14
Audit	4	4
Bad Debts	2	3
Bank Charges	11	6
BSI cost allocation	1,237	-
Communications	29	27
Computer	75	73
Conversion/Implementation	88	58
Department Services	30	24
Desktop	108	91
Equipment Maintenance and Rentals	7	7
Insurance	9	8
Legal Services	11	7
Miscellaneous	8	7
NUANS	142	143
Office Rent	121	118
Payroll Processing	17	1
Postal and Courier	44	41
POS Licence Fees	-	3
Programmers	27	30
Stationery	43	43
Transportation	5	2
	$ 2,034	$ 710

COMPANIES OFFICE
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA

SCHEDULE OF PUBLIC SECTOR COMPENSATION DISCLOSURE
(in thousands)
FOR THE YEAR ENDED MARCH 31, 2003

The Public Sector Compensation Disclosure Act requires all publicly funded bodies to disclose compensation to any employee or board member when such compensation exceeds $50 per annum. This information follows:

EMPLOYEE	TITLE	COMPENSATION 2003	 2002
Myron Pawlowsky	Chief Operating Officer	$ 79	$ 77
Joan Alty	Deputy Director - Legal	59	61
Shane Lasker	Acting Deputy Director - Legal	63	60
Dave Rudy	Controller	58	53
Linda Kalinski	Deputy Director - Operations	56	-
Isabelle Aubin	Supervisor	51	-

Manitoba Text Book Bureau
An Agency of the Special Operating Agencies Financing Authority
Province of Manitoba
Financial Statements

March 31, 2003

M T B B
www.mtbb.mb.ca

MANITOBA TEXT BOOK BUREAU
130 - 1st Avenue West
P.O. Box 910
Souris, Manitoba R0K 2C0

Tel: (204) 483-5040
(866) 771-6822 (MB & Sask. Only)
Fax: (204) 483-5041

A Special Operating Agency of Manitoba Education and Youth

MANAGEMENT REPORT

The accompanying financial statements are the responsibility of management and have been prepared in accordance with Canadian generally accepted accounting principles. In management's opinion, the financial statements have been properly prepared within reasonable limits of materiality, incorporating management's best judgement regarding necessary estimates and all other data available.

Management maintains internal controls to provide reasonable assurance that the financial information is reliable and accurate and that the assets of the Bureau are properly safeguarded. Staff at the Auditor General's Office review internal controls and reports their findings to management.

The responsibility of the Auditor General is to express an independent, professional opinion on whether the financial statements are fairly presented in accordance with Canadian generally accepted accounting principles. The Auditors' Report outlines the scope of the audit examination and provides the audit opinion.

Lanny Kingerski
Chief Operating Officer

Denis Labossiere, C.G.A.
Controller

Souris, Manitoba
May 23, 2003

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Office of the Auditor General

500 - 330 Portage Avenue
Winnipeg, Manitoba
CANADA R3C 0C4

AUDITORS' REPORT

To the Legislative Assembly of Manitoba

We have audited the balance sheet of The Manitoba Text Book Bureau, An Agency of the Special Operating Agencies Financing Authority as at March 31, 2003 and the statements of income and retained earnings and cash flows for the year then ended. These financial statements are the responsibility of the Bureau's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Bureau as at March 31, 2003 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Office of the Auditor General

Office of the Auditor General

Winnipeg, Manitoba
May 23, 2003

Manitoba Text Book Bureau
An Agency of the Special Operating Agencies Financing Authority
Province of Manitoba
Balance Sheet

(in thousands)

March 31		2003		2002
Assets				
Current				
Cash and cash equivalents	$	12	$	12
Accounts receivable		318		392
Inventory		2,563		2,289
Prepaid expenses		17		53
		2,910		2,746
Receivable from Province of Manitoba (Note 7)		64		64
Capital assets (Note 3)		94		109
	$	3,068	$	2,919
Liabilities				
Current				
Accounts payable and accrued liabilities	$	802	$	617
Customer deposit accounts		49		265
Working capital advance (Note 9)		1,492		1,332
		2,343		2,214
Accrued severance liability (Note 7)		49		44
		2,392		2,258
Equity				
Contributed equity (Note 4)		550		550
Retained earnings		126		111
		676		661
	$	3,068	$	2,919

See accompanying notes to the financial statements.

Manitoba Text Book Bureau
An Agency of the Special Operating Agencies Financing Authority
Province of Manitoba
Statements of Income and Retained Earnings

(in thousands)

Year Ended March 31	2003	2002
Sales	$ 7,558	$ 8,365
Cost of goods sold:		
Inventory, beginning of year	2,289	3,087
Purchases	6,642	6,333
Transportation in	31	36
Transportation out	129	97
	9,091	9,553
Inventory, end of year	2,563	2,289
Cost of goods sold	6,528	7,264
Gross profit	1,030	1,101
General and administrative expenses		
Amortization	37	36
Audit	6	7
Bad Debts	3	4
Computer expense	65	63
Employee benefits	63	67
Interest	56	83
Marketing	28	23
Office	36	36
Office occupancy	56	56
Postage	4	5
Salaries	362	380
Telephone	12	11
Training	1	1
Travel	20	22
Warehouse occupancy	82	110
Warehouse service	184	168
	1,015	1,072
Net income	$ 15	$ 29
Retained earnings, beginning of year	$ 111	$ 82
Net income	15	29
Retained earnings, end of year	$ 126	$ 111

See accompanying notes to the financial statements.

Manitoba Text Book Bureau
An Agency of the Special Operating Agencies Financing Authority
Province of Manitoba
Statement of Cash Flows

(in thousands)

Year Ended March 31	2003	2002
Increase (decrease) in cash and cash equivalents		
Operating		
Net income	$ 15	$ 29
Amortization	37	36
	52	65
Changes in		
Short-term investments		121
Accounts receivable	74	211
Inventory	(274)	798
Prepaid expenses	36	(39)
Accounts payable and accrued liabilities	185	(266)
Accounts payable to Province of Manitoba		(114)
Customer deposit accounts	(216)	59
	(143)	835
Investing		
Acquisition of capital assets	(22)	(29)
Financing		
Accrued severance liability	5	4
Changes in working capital advance	160	(819)
	165	(815)
Net decrease in cash and cash equivalents	0	(9)
Cash and cash equivalents, beginning of year	12	21
Cash and cash equivalents, end of year	$ 12	$ 12

See accompanying notes to the financial statements.

Manitoba Text Book Bureau
An Agency of the Special Operating Agencies Financing Authority
Province of Manitoba
Notes to the Financial Statements

(in thousands)
For the year ended March 31, 2003

1. Nature of operations

In 1931, the Manitoba Text Book Bureau (MTBB) was created as a branch of the Department of Education. It was established to achieve economies of scale and reduce the cost of learning resources for schools in Manitoba.

Effective April 1, 1996, the MTBB was designated as a Special Operating Agency under The Special Operating Agencies Financing Authority Act, Cap. S 185, C.C.S.M. and operates under a charter approved by the Lieutenant Governor in Council.

The MTBB is financed through the Special Operating Agencies Financing Authority (SOAFA). SOAFA has the mandate to hold and acquire assets required for and resulting from Agency operations. It finances the MTBB through working capital advances. This financial framework enables the MTBB to operate in a business-like manner according to public policy expectations.

A Management Agreement between the Special Operating Agencies Financing Authority and the Minister of Education and Training assigns responsibility to the MTBB to manage and account for the MTBB related assets and operations on behalf of SOAFA.

The MTBB continues to be part of the Department of Education and Training under the general direction of the Assistant Deputy Minister, School Programs Division, and ultimately the policy direction of the Deputy Minister and Minister.

The MTBB remains bound by relevant legislation and regulations. It is also bound by administrative policy except where specific exemptions have been provided in its charter in order to meet business objectives.

2. Significant accounting policies

Basis of reporting

The financial statements of the MTBB are presented in accordance with Canadian Generally Accepted Accounting Principles.

Accounting estimates and assumptions

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reported period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the period in which they become known.

2. Significant accounting policies - continued

Cash and cash equivalents

Cash and cash equivalents include cash on hand, balances with banks and short deposits with original maturities of three months or less. Bank borrowings are considered to be financing activities.

Inventories

Inventories are valued using the average unit cost method.

Capital assets

Capital assets are recorded at cost in the year of acquisition. Rates and basis of amortization applied to write off the cost less estimated salvage value of capital assets over their estimated lives are as follows:

Office equipment, furniture and video recording equipment	20% declining balance
Computer software and equipment	20% straight line

3. Capital assets

			2003	2002
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computer software & equipment	$ 209	$ 143	$ 66	$ 81
Office equipment & furniture	28	16	12	8
Video recording equipment	63	47	16	20
	$ 300	$ 206	$ 94	$ 109

4. Contributed equity

SOAFA and the Government of Manitoba entered into a Transfer Agreement in connection with the transfer from Manitoba to SOAFA of assets valued at $5,240 and liabilities of $4,690 required for the continuing operations of the MTBB as at March 31, 1996. The Manitoba Text Book Bureau recorded the balance of $550 (being the value of the net assets) as Manitoba's Contributed Equity in SOAFA as related to the Bureau's operations.

5. Contractual obligations

The MTBB has contracted with Materials Distribution Agency (MDA) for the provision of warehousing and distribution services for a period of three years, from April 1, 2002 to March 31, 2005. The total cost for the contract is $815, of which $564 is a labour, packaging and supplies component, and $251 is an occupancy component.

6. Related party transactions

The MTBB is related in terms of common ownership to all Province of Manitoba created Departments, Agencies and Crown Corporations. The MTBB enters into transactions with these entities in the normal course of business.

7. Severance Liability

Effective April 1, 1998, the Agency began recording accumulated severance pay benefits for its employees. The estimate of the liability was based on the method of calculation set by the Province.

The Province has accepted responsibility for the severance benefits accumulated by the Agency's employees to March 31, 1998. Accordingly, the opening severance pay liability as at April 1, 1998 calculated at $63 was completely offset by a receivable from the Province.

The receivable from the Province, or portion thereof, for the MTBB, will be collected in the event there is a cash shortfall. However, this is only likely to happen on the dissolution of the MTBB.

An actuarial valuation report of the Agency's severance as at March 31, 2000 was completed in 2001. The liability as at March 31, 2000 was restated to $46 and the receivable from the Province was restated to $64 as a result of the actuarial valuation. The report provides a formula to update the liability on an annual basis. In accordance with the formula, the Agency's actuarial liability has been calculated to be $49 as at March 31, 2003.

Manitoba Text Book Bureau
An Agency of the Special Operating Agencies Financing Authority
Province of Manitoba
Notes to the Financial Statements

(in thousands)
For the year ended March 31, 2003

8. Public sector compensation

Pursuant to the disclosure required by The Public Sector Compensation Disclosure Act, no remuneration was paid to Advisory Board members. During the fiscal year ended March 31, 2003, the following employees received compensation in excess of $50.

Name	Position	2003	2002
Lanny Kingerski	Chief Operating Officer	$ 69	$ 67
Denis Labossiere	Controller	$ 55	$ 51

9. Working capital

The MTBB has an authorized line of working capital advances of $4,000, of which $1,492 was used as of March 31, 2003 (2002 - $1,332).

10. Financial instruments

The MTBB's financial instruments consist of cash, accounts receivable, prepaids, accounts payable, customer deposits, and a working capital advance. Unless otherwise noted, it is management's opinion that MTBB is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximate their carrying values, unless otherwise noted.

11. Comparative figures

Certain of the comparative figures have been reclassified to conform to the financial statement presentation adopted for 2003.

MAIL MANAGEMENT AGENCY

Financial Statements
(in Thousands)

Year Ended March 31, 2003

MMA
MAIL MANAGEMENT AGENCY
200 Vaughan Street • Winnipeg MB R3C 1T5

Mail Management Agency
An Agency of the
Special Operating Agencies Financing Authority
Province of Manitoba
Responsibility of Financial Reporting

The Agency's management is responsible for the financial statements and other financial information in the annual report. This responsibility includes maintaining the integrity and objectivity of financial data and the presentation of the Agency's financial position and the results of operations in accordance with generally accepted accounting principles. The Exchange Group - Chartered Accountants, independent external auditors, has audited the financial statements.

The Agency maintains a system of internal controls throughout its operation that provides reasonable assurance that the transactions are authorized, properly recorded and reported and that the assets are safeguarded.

The Advisory Board meets regularly with management to review accounting practices, financial reporting and to discuss audit results. The auditors have free and full access to this Board, and to discuss the results of their audit and their views on the adequacy of internal controls and the quality of the financial reporting.

Greg Bowers

Greg Bowers
A/Chief Operating Officer

June 30, 2003

A Special Operating Agency of Manitoba Government Services

MAIL MANAGEMENT AGENCY

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Year Ended March 31, 2003

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EXG

THE EXCHANGE

chartered accountants

AUDITORS' REPORT

To the Special Operating Agencies Financing Authority

We have audited the balance sheet of Mail Management Agency , an Agency of the Special Operating Agencies Financing Authority, Province of Manitoba as at March 31, 2003 and the statements of loss and retained earnings and cash flows for the year then ended. These financial statements are the responsibility of the Agency's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Agency as at March 31, 2003 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

THE EXCHANGE

chartered accountants

Winnipeg, Manitoba
May 22, 2003

100-123 Bannatyne Ave., Winnipeg, Manitoba R3B 0R3
Telephone: (204) 943-4584 Fax: (204) 957-5195
E-mail: info@exg.ca Website: www.exg.ca

MAIL MANAGEMENT AGENCY

Balance Sheet
(In Thousands)

March 31, 2003

		2003		2002
ASSETS				
CURRENT				
Accounts receivable	$	763	$	617
Prepaid expenses		121		139
		884		756
DUE FROM PROVINCE *(Note 6)*		124		125
FIXED ASSETS *(Note 2, 3)*		283		157
OTHER ASSETS *(Note 2, 4)*		12		24
	$	1,303	$	1,062
LIABILITIES				
CURRENT				
Working capital payable *(Note 5)*	$	631	$	270
Accounts payable		137		340
Current portion of long term debt *(Note 9)*		40		6
		808		616
SEVERANCE LIABILITY *(Note 7)*		76		84
LONG TERM DEBT *(Note 9)*		113		21
		997		721
EQUITY				
Contributed surplus *(Note 11)*		51		51
Retained earnings		255		290
		306		341
	$	1,303	$	1,062

MAIL MANAGEMENT AGENCY

Statement of Loss and Retained Earnings
(In Thousands)

Year Ended March 31, 2003

	2003	2002
REVENUE		
Mail processing	$ 5,611	$ 5,295
Mail finishing	352	392
Inter department mail	450	390
Printing	100	41
Contract administration	61	42
	6,574	6,160
EXPENSES		
Amortization	79	61
Communications	10	11
Courier	147	146
Employee benefits	142	146
Equipment rental and maintenance	72	64
Interest *(Note 13)*	18	8
Leases	65	80
Network	26	31
Miscellaneous operating	24	32
Office	28	25
Occupancy	115	121
Postage	5,045	4,775
Professional fees	7	13
Salaries	806	824
Sub-contracts	25	21
	6,609	6,358
NET LOSS	(35)	(198)
RETAINED EARNINGS - BEGINNING OF YEAR	290	488
RETAINED EARNINGS - END OF YEAR	$ 255	$ 290

MAIL MANAGEMENT AGENCY

Statement of Cash Flows
(In Thousands)

Year Ended March 31, 2003

	2003	2002
OPERATING ACTIVITIES		
Net loss	$ (35)	$ (198)
Item not affecting cash:		
Amortization	79	61
	44	(137)
Changes in non-cash working capital:		
Accounts receivable	(146)	150
Due from Province	1	1
Accounts payable	(203)	(81)
Deferred income	-	(2)
Prepaid expenses	18	(96)
Severance liability	(8)	9
	(338)	(19)
Cash flow used by operating activities	(294)	(156)
INVESTING ACTIVITIES		
Additions to fixed assets	(193)	(85)
Cash flow used by investing activities	(193)	(85)
FINANCING ACTIVITIES		
Long term debt	126	1
Cash flow from financing activities	126	1
DECREASE IN CASH FLOW	(361)	(240)
DEFICIENCY - Beginning of year	(270)	(30)
DEFICIENCY - End of year	$ (631)	$ (270)

MAIL MANAGEMENT AGENCY

Notes to Financial Statements
(In Thousands)

Year Ended March 31, 2003

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1. DESCRIPTION OF OPERATIONS

In 1956, Mail Management (Postal Service) was created as a branch of the Manitoba Provincial Government to provide centralized postal management.

Effective April 1, 1996, the Postal Service was renamed Mail Management Agency (MMA) and designated as a Special Operating Agency (SOA) pursuant to The Special Operating Agencies Financing Authority Act, Cap. s185, C.C.S.M. and operates under a charter approved by the Lieutenant Governor in Council.

MMA is financed through the Special Operating Agencies Financing Authority (SOAFA). The Financing Authority has the mandate to hold and acquire assets required for and resulting from MMA operations. It finances MMA through repayable loans and working capital advances. The financial framework enables the Agency to operate in a business-like manner according to the public policy expectations.

A Management Agreement between the Financing Authority and the Minister of Government Services assigns responsibility to MMA to manage and account for MMA related assets and operations on behalf of the Financing Authority.

MMA continues to be part of Manitoba Government Services under the general direction of the Assistant Deputy Minister, Supply and Services Division, and ultimately the policy direction of the Deputy Minister and Minister.

MMA remains bound by relevant legislation and regulations. It is also bound by administrative policy except where specific exemptions have been provided for in its charter in order to meet business objectives.

The Financing Authority is economically dependent on the Province of Manitoba. Currently, the Financing Authority derives most of its revenue and all of its capital financing requirements from the Province.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles. Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of financial statements for a period necessarily involves the use of estimates which have been made using careful judgement. The financial statements have, in management's opinion, been properly prepared within the reasonable limits of materiality and within the framework of the significant accounting policies summarized below:

Fixed Assets

Fixed assets are recorded at cost and are amortized annually at the following rates and bases:

Production equipment	20%	declining balance method
Computer equipment	20%	straight-line method
Capital lease		lease term straight-line method

Other Assets

Other assets are recorded at cost and are amortized at the following rate on a straight-line basis:

Computer conversion - over 5 years

3. FIXED ASSETS

	Cost	Accumulated amortization	**2003 Net book value**	2002 Net book value
Production equipment	$ 316	$ 195	$ 121	$ 153
Computer equipment	7	4	3	4
Capital Lease	189	30	159	-
	$ 512	$ 229	$ 283	$ 157

4. OTHER ASSETS

	Cost	Accumulated Depreciation	**2003 Net Book Value**	2002 Net Book Value
Computer Conversion	$ 60	$ 48	$ 12	$ 24

5. WORKING CAPITAL PAYABLE

MMA has an authorized line of working capital advances of $1,500 of which $869 is available as at March 31, 2003.

6. DUE FROM PROVINCE

The receivable from the Province of Manitoba is for vacation entitlements earned by the employees of Mail Management Agency prior to their designation as SOAs. It also includes severance pay benefits earned by SOA employees to March 31, 1998. The balance is comprised of:

	2003	2002
Vacation entitlements	$ 60	$ 60
Severance pay benefits	64	64
Other	-	1
	$ 124	$ 125

The timing of the collection of these receivables will vary for each SOA. The receivable, or portion thereof, for an individual SOA will be collected in the event that there is a cash shortfall. However, this is only likely to happen on the dissolution of an SOA.

7. SEVERANCE LIABILITY

Effective April 1, 1998, the Agency began recording accumulated severance pay benefits for its employees. The estimate of the liability was based on the method of calculation set by the Province.

The Province has accepted responsibility for the severance benefits accumulated by the Agency's employees to March 31, 1998. Accordingly, the opening severance pay liability balance at April 1, 1998 of $89 was completely offset by a receivable from the Province.

An actuarial report of the Agency's severance as at March 31, 2000 was restated to $75 as a result of the actuarial valuation. There was no effect on the severance benefit expense for the year ended March 31, 2000. The report provides a formula to update the liability on an annual basis. In accordance with the formula, the Agency's actuarial liability has been calculated to be $76 as at March 31, 2003 (2002 - $84).

8. THE PUBLIC SECTOR COMPENSATION DISCLOSURE ACT

It is a requirement of The Public Sector Compensation Disclosure Act that annual public disclosure be made of individual compensation exceeding $50 annually to any officer or employee of the Province of Manitoba. The following employees received compensation in excess of $50:

Name	Position	2003	2002
Don Katz	Chief Operating Officer	$ -	$ 61
Greg Bowers	Marketing/Systems	54	51
		$ 54	$ 112

9. LONG TERM DEBT

	2003	2002
Pitney Bowes loan bearing interest at 2.37 % per annum, repayable in quarterly instalments of $2 blended principal and interest. The loan matures on January 31, 2006 and is secured by high speed mailing machine.	$ 21	$ 27
Xerox Canada loan repayable by a fixed annual contract fee of $24. The loan matures on January 30, 2008.	95	-
DeLage Landen loan repayable in quarterly payments of $2. The loan matures on December 31, 2006.	37	-
	153	27
Amounts payable within one year	(40)	(6)
	$ 113	$ 21

Principal repayment terms are approximately:

2004	$ 40
2005	40
2006	43
2007	30
	$ 153

10. COMMITMENT

The Agency has not entered into lease agreements with the Province of Manitoba for the five locations that it operates (200 Vaughan Street, Winnipeg; 405 Broadway, Winnipeg; 450 Broadway, Winnipeg; 340 - 9th Street, Brandon; and 25 Tupper Street, Portage la Prairie). Occupancy charges for the year ended March 31, 2003 were $115, whereas charges for the year ended March 31, 2002 were $120.

11. CONTRIBUTED EQUITY

SOAFA and the Manitoba Provincial Government entered into a Transfer Agreement respecting the transfer from Manitoba to the Financing Authority of fixed assets valued at $102 required for continuing operations of the Mail Management Agency as at March 31, 1996. The Agency is responsible to repay Special Operating Agencies Financing Authority the debt portion in the amount of $51 (being one-half of the value of the assets) and to record the balance of $51(being one-half of the value of the assets) as Manitoba's equity in the Financing Authority as related to the Agency's operations. The debt portion has been repaid.

MAIL MANAGEMENT AGENCY

Notes to Financial Statements
(In Thousands)

Year Ended March 31, 2003

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12. FINANCIAL INSTRUMENTS

The company's financial instruments consist of cash, accounts receivable, investment, accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the Agency is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximate their carrying values, unless otherwise noted.

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13. INTEREST PAID

Interest in the amount of $18 was paid during the year (2001 - $8).

INDUSTRIAL TECHNOLOGY CENTRE - An Agency of the Special Operating Agencies Financing Authority

Financial Statements
For the year ended March 31, 2003

BDO

BDO Dunwoody LLP
Chartered Accountants
and Consultants

Industrial Technology Centre
A Special Operating Agency of Manitoba Energy, Science and Technology
Unit 12 - 1329 Niakwa Road East
Winnipeg MB R2J 3T4 Canada
Phone: (204) 945-6000
Fax: (204) 945-1784
1-800-728-7933
www.itc.mb.ca
REGISTERED
ISO 9001
FM 63216

May 23, 2003

For the year ended March 31, 2003

The accompanying financial statements of the Industrial Technology Centre are the responsibility of management and have been prepared by ITC in accordance with Canadian generally accepted accounting principles. In management's opinion, the financial statements have been properly prepared within reasonable limits of materiality, incorporating management's best judgement regarding all necessary estimates and all other data available up to May 23, 2003.

Management maintains internal controls designed to indicate responsibility, provide reasonable assurance of the reliability and accuracy of the financial statements, and properly safeguard ITC's assets.

The responsibility of the external audit is to express an independent, professional opinion lending assurance and objectivity as to whether the financial statements of ITC are fairly presented in accordance with Canadian generally accepted accounting principles. The auditors' report outlines the scope of the audit examination and provides the audit opinion.

On behalf of management,

T.J. Cornell

Trevor Cornell
Chief Operating Officer

David Olafson
Manager, Corporate Services

BDO

BDO Dunwoody LLP
Chartered Accountants
and Consultants
www.bdo.ca

700 - 200 Graham Avenue
Winnipeg, Manitoba, Canada R3C 4L5
Telephone (204) 956-7200
Telefax (204) 926-7201

Auditors' Report

To the Special Operating Agencies Financing Authority

We have audited the balance sheet of the **Industrial Technology Centre** as at March 31, 2003 and the statements of earnings and retained earnings and cash flows for the year then ended. These financial statements are the responsibility of the Centre's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Centre as at March 31, 2003 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

BDO Dunwoody LLP

Chartered Accountants

Winnipeg, Manitoba
May 23, 2003

INDUSTRIAL TECHNOLOGY CENTRE

An Agency of the
Special Operating Agencies Financing Authority
Province of Manitoba

Balance Sheet

As at March 31, 2003
(In Thousands)

	2003	2002
Assets		
Current		
Cash and funds on deposit with Minister of Finance net of working capital advance (Note 3)	$ 762	$ 558
Accounts receivable	126	397
Prepaid expenses	25	26
	913	981
Due from Province of Manitoba (Note 5)	103	103
Capital assets (Notes 2 and 4)	672	848
	$ 1,688	$ 1,932
Liabilities		
Current		
Accounts payable and accrued liabilities	$ 259	$ 519
Severance liability (Note 5)	160	149
	419	668
Equity		
Contributed Equity (Note 6)	62	62
Retained Earnings	1,207	1,202
	1,269	1,264
	$ 1,688	$ 1,932

The accompanying notes are an integral part of these financial statements.

INDUSTRIAL TECHNOLOGY CENTRE

An Agency of the
Special Operating Agencies Financing Authority
Province of Manitoba

Statement of Earnings and Retained Earnings

For the year ended March 31, 2003

(In Thousands)	2003	2002
Revenue		
Province of Manitoba	$ 750	$ 750
Fee for service	1,780	2,009
Other	18	36
	2,548	2,795
Operating expenses		
Advertising and promotion	33	129
Amortization	188	120
Audit and legal	5	10
Bad debts	1	3
Building maintenance	54	44
Computer	7	27
Equipment	24	48
Fees and memberships	26	20
Heat and utilities	36	33
Insurance	50	46
Library operations	32	36
Loss on disposal	5	6
Office	62	63
Professional development	23	73
Project supplies and subcontract	99	63
Purchased services	26	9
Rent and property tax	114	87
Salaries and benefits	1,712	1,876
Travel	46	62
	2,543	2,755
Net earnings (loss)	5	40
Retained earnings at beginning of period	1,202	1,162
Retained earnings at end of period	$ 1,207	$ 1,202

The accompanying notes are an integral part of these financial statements.

INDUSTRIAL TECHNOLOGY CENTRE

An Agency of the Special Operating Agencies Financing Authority Province of Manitoba

Statement of Cash Flow

For the year ended March 31, 2003
(In Thousands)

	2003	2002
Cash derived from (applied to):		
Operating activities		
Net earnings (loss)	$ 5	$ 40
Items not involving cash		
Amortization	188	120
Loss on disposal	5	6
	198	166
Changes in non-cash working capital balances		
Accounts receivable	271	666
Prepaid expenses	1	(6)
Accounts payable and accrued liabilities	(260)	(533)
Severance liability	11	11
	221	304
Investing activities		
Acquisition of capital assets	(17)	(615)
Net increase (decrease) in cash and cash equivalents	204	(311)
Cash and cash equivalents at beginning of period	558	869
Cash and cash equivalents at end of period	$ 762	$ 558
Represented by:		
Cash and bank	$ 52	$ 34
Funds on deposit with the Minister of Finance	710	524
	$ 762	$ 558
Interest revenue included in cash flow from operating activities	$ 14	$ 26

The accompanying notes are an integral part of these financial statements.

INDUSTRIAL TECHNOLOGY CENTRE
An Agency of the
Special Operating Agencies Financing Authority
Province of Manitoba
Notes to the Financial Statements
For the year ended March 31, 2003
(In Thousands)

1. Nature of Organization

The Industrial Technology Centre (ITC) was established in 1979 under "Enterprise Manitoba", a joint Federal/Provincial cost-shared funding agreement. ITC was managed by the Manitoba Research Council until September 1992 when responsibility for ITC was transferred to the Economic Innovation & Technology Council (EITC). ITC was created as a technical resource for Manitoba industry and government and continues to provide a wide range of technical services to both the private and public sectors.

Effective April 1, 1996, ITC was designated as a Special Operating Agency under The Special Operating Agencies Financing Authority Act, Cap. S185, C.C.S.M., and operates under a charter approved by the Lieutenant Governor in Council. ITC operates as part of Manitoba Energy, Science and Technology under the general direction of the Deputy Minister.

ITC is financed through the Special Operating Agencies Financing Authority (SOAFA). SOAFA has the mandate to hold and acquire assets required for and resulting from Agency operations and has access to a working capital loan. The financial framework allows the Agency to operate in a business-like manner, which is facilitated by SOA status.

A Management Agreement between SOAFA and the Minister of Energy, Science and Technology assigns responsibility to the Agency to manage and account for the Agency-related assets and operations on behalf of SOAFA.

An Economic Development Contribution Agreement between ITC and Manitoba Energy, Science and Technology defines expected public policy benefits generated from ITC's operations.

ITC has full delegated authority for all administrative, financial and operational matters. This delegation is subject to any limitations, restrictions, conditions and requirements imposed by legislation or by the Minister.

2. Significant Accounting Policies

Basis of reporting

The financial statements are prepared in accordance with Canadian generally accepted accounting principles.

Capital assets

Capital assets are recorded at cost. Amortization, intended to write off the assets over their estimated useful lives, is recorded at the following annual rates and methods:

Furniture and fixtures	20%, declining balance
Office and laboratory equipment	20%, declining balance
Computer equipment and software	20%, straight-line
Leasehold improvements	20%, straight-line

3. Working Capital Advance

The Agency has an authorized line of working capital advances up to a maximum of $300. As at March 31, 2003 working capital advances were nil (2002 – nil). The line bears interest at the prime rate and is not secured by specific assets.

4. Capital Assets

	2003		2002	
	Cost	Accumulated amortization	Cost	Accumulated amortization
Furniture and fixtures	$ 4	$ 2	$ 4	$ 2
Office and laboratory equipment	764	365	768	268
Computer equipment and software	416	184	451	135
Leasehold improvements	49	10	32	2
	$ 1,233	$ 561	$ 1,255	$ 407
Net book value	$ 672		$ 848	

5. Severance Pay Benefits

Effective April 1, 1998, ITC began recording accumulated severance pay benefits for its employees. The estimate of the liability was based on the method of calculation set by the Province.

The Province has accepted responsibility for the severance benefits accumulated by ITC's employees to March 31, 1998. Accordingly, the opening severance pay liability balance as at April 1, 1998 calculated at $103 was completely offset by a receivable from the Province. The receivable from the Province, or portion thereof, for the Industrial Technology Centre, will be collected in the event there is a cash shortfall. However, this is only likely to happen on the dissolution of the Industrial Technology Centre.

An actuarial valuation report of ITC's severance as at March 31, 2000 has been completed. The report provides a formula to update the liability on an annual basis. ITC's liability has been calculated in accordance with this formula.

6. Contributed Equity

A Transfer Agreement between the Special Operating Agencies Financing Authority (SOAFA) and Manitoba effected a transfer of capital assets, current assets and current liabilities from Manitoba to SOAFA as at March 31, 1996. Net assets in the amount of $124 were transferred to continue the operations of ITC. ITC has repaid SOAFA the debt portion of $62 (50% of the value of the net assets) and recorded the remaining $62 (50% of the value of the net assets) as Manitoba's equity in SOAFA as related to the Agency's operations.

7. Commitment

The Agency has entered into a lease agreement for rental of the facilities at 1329 Niakwa Road East, Winnipeg, Manitoba. The lease, expiring on March 31, 2005, requires future lease payments as follows:

2004	$ 91
2005	$ 91

This lease agreement may be terminated on March 31, 2004, at ITC's option.

8. Related Party Transactions

The Agency is related in terms of common ownership to all Province of Manitoba created departments, agencies and Crown corporations. The Agency enters into transactions with these entities in the normal course of business.

9. Public Sector Compensation

Pursuant to The Public Sector Compensation Disclosure Act, the following employees of ITC have received compensation of $50 or more, including benefits and severance payments, in the year ended March 31, 2003:

		2003	2002
Boskwick, W.	Eco. Dev. Consultant 3	$ n/a	$ 74
Cattani, J.	Eco. Dev. Consultant 4	68	63
Cornell, T.	Executive Officer 1	93	98*
de Graaf, P.	Eco. Dev. Consultant 4	68	63
Herwig, W.	Engineer 5	68	72
Kellington, D.	Scientist 2	50	50
Mitchell, T.	Eco. Dev. Consultant 4	71	66
Olafson, D.	Financial Officer 6	64	62
Park, J.	Engineer 5	69	n/a
Pizey, G.	Engineer 4	65	65
Pozzobon, G.	Engineer 3	n/a	59
Russell, D.	Tech. Eng. Off. 2	n/a	58
St. Jean, D.	Eco. Dev. Consultant 4	71	69
Semegen, M.	Eco. Dev. Consultant 4	72	n/a

* Includes a retroactive salary increase

The Public Trustee of Manitoba
An Agency of the
Special Operating Agencies
Financing Authority
Province of Manitoba

Financial Statements
March 31, 2003

Manitoba

The Public Trustee

13th Floor Woodsworth Building
405 Broadway
Winnipeg MB R3C 3L6
CANADA

MANAGEMENT REPORT

The accompanying financial statements are the responsibility of management and have been prepared in accordance with the accounting policies stated in the financial statements. In management's opinion, the financial statements have been properly prepared within reasonable limits of materiality, incorporating management's best judgement regarding all necessary estimates and all other data available up to June 18, 2003. The financial information presented elsewhere in the Annual Report is consistent with that in the financial statements.

Management maintains internal controls to provide reasonable assurance that the financial information is reliable and accurate and that the assets of the Public Trustee are properly safeguarded.

The responsibility of the Auditor General is to express an independent, professional opinion on whether the financial statements are fairly stated in accordance with the accounting policies stated in the financial statements. The Auditor's Report outlines the scope of the audit examination and provides the audit opinion.

The Public Trustee has reviewed and approved these financial statements and the Annual Report in advance of its release and has approved its content and authorized its release.

M Anne Bolton

M. Anne Bolton, Q.C.
Public Trustee

Office of the Auditor General

500 - 330 Portage Avenue
Winnipeg, Manitoba
CANADA R3C 0C4

AUDITORS' REPORT

To the Legislative Assembly of Manitoba,
To the Public Trustee of Manitoba, and
To the Special Operating Agencies Financing Authority

We have audited the balance sheet of The Public Trustee of Manitoba, an Agency of the Special Operating Agencies Financing Authority - Province of Manitoba, as at March 31, 2003 and the statements of income and retained earnings and cash flows for the year then ended. These financial statements are the responsibility of the Public Trustee's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Agency as at March 31, 2003 and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Office of the Auditor General

Office of the Auditor General

Winnipeg, Manitoba
June 18, 2003

PUBLIC TRUSTEE OF MANITOBA

(An Agency Of The Special Operating Agencies Financing Authority - Province of Manitoba)

BALANCE SHEET

(In Thousands)

AS AT MARCH 31, 2003

ASSETS

	2003	2002
Current		
Cash	$ 106	$ 86
Accounts receivable, net (Note 3)	719	683
Prepaid expenses	5	4
Short-term investments with Minister of Finance	675	875
	1,505	1,648
Receivable from Province of Manitoba (Note 4)	515	515
Capital Assets (Note 5)	103	101
	$ 2,123	$ 2,264

LIABILITIES

	2003	2002
Current		
Accounts payable and accruals (Note 6)	$ 521	$ 477
Severance pay benefits (Note 16)	434	414
	955	891

EQUITY

	2003	2002
Revenue stabilization reserve (Note 14)	500	500
Retained earnings	668	873
	1,168	1,373
	$ 2,123	$ 2,264

PUBLIC TRUSTEE OF MANITOBA

(An Agency Of The Special Operating Agencies Financing Authority - Province of Manitoba)

STATEMENT OF INCOME AND RETAINED EARNINGS
(In Thousands)
YEAR ENDED MARCH 31, 2003

	2003	2002
Revenue		
Fees (Note 8)	$ 4,562	$ 4,510
Interest	19	37
Other	98	118
	4,679	4,665
Expenses		
Amortization of capital assets	32	42
Accommodation costs - Department of Government Services	232	218
Other administration expenses (Note 9)	760	692
Salaries and benefits	3,665	3,564
Employer pension costs	195	191
	4,884	4,707
Net Income (Loss)	(205)	(42)
Retained earnings, beginning of year	873	915
Retained earnings, end of year	$ 668	$ 873

PUBLIC TRUSTEE OF MANITOBA

(An Agency Of The Special Operating Agencies Financing Authority - Province of Manitoba)

STATEMENT OF CASH FLOWS
(In Thousands)
YEAR ENDED MARCH 31, 2003

	2003	2002
Cash derived from (applied to)		
Operating		
Net income (Loss)	$ (205)	$ (42)
Items not involving cash		
Amortization of capital assets	32	42
	(173)	0
Change in		
Receivables	(36)	(23)
Prepaid expenses	(1)	0
Payables	44	(754)
	(166)	(777)
Investing		
Acquisition of capital assets	(34)	(31)
Financing		
Severance pay benefits	20	45
Net increase (decrease) in cash	(180)	(763)
Cash and short term investments		
Beginning of year	961	1,724
End of year	$ 781	$ 961

PUBLIC TRUSTEE OF MANITOBA

(An Agency Of The Special Operating Agencies Financing Authority - Province of Manitoba)

NOTES TO FINANCIAL STATEMENTS
(In Thousands)
MARCH 31, 2003

1. Nature of organization

The Public Trustee protects the interests of Manitobans by providing trust, legal, financial and personal services on a last resort basis to people who are mentally incompetent, under the age of majority, or whose estates would otherwise be unadministered upon their death.

Effective April 1, 1996, the Public Trustee was designated as a Special Operating Agency pursuant to The Special Operating Agencies Financing Authority Act, Cap. s185, C.C.S.M. and operates under a charter approved by the Lieutenant Governor in Council.

The Public Trustee is financed through the Special Operating Agencies Financing Authority (SOAFA). The Financing Authority has the mandate to hold and acquire assets required for and resulting from Public Trustee operations. It finances the Public Trustee through repayable loans and working capital advances. The financial framework provides increased management authority which, coupled with more rigorous planning and reporting requirements afforded by Special Operating Agency status, assists the Public Trustee to sustain the provision of high quality service to her clients.

A Management Agreement between the Financing Authority and the Minister of Justice assigns responsibility to the Public Trustee to manage and account for Public Trustee related assets and operations on behalf of the Financing Authority.

The Public Trustee continues to be part of Manitoba Justice. The Public Trustee is a corporation sole with perpetual succession. As a corporate entity the Public Trustee functions separately from government and is capable of suing or being sued on behalf of the clients, trusts and estates which are administered by her.

The Public Trustee remains bound by relevant legislation and regulations. The Public Trustee is also bound by administrative policy except where specific exemptions have been provided for in her charter in order to meet business objectives.

PUBLIC TRUSTEE OF MANITOBA
(An Agency Of The Special Operating Agencies Financing Authority - Province of Manitoba)

NOTES TO FINANCIAL STATEMENTS
(In Thousands)
MARCH 31, 2003

2. Significant accounting policies

a) Basis of reporting

The financial statements of the Agency are presented in accordance with Canadian generally accepted accounting principles.

b) Revenue recognition

i. Administration fees are charged to client accounts quarterly based on the anniversary date of the account in accordance with provisions of The Public Trustee Act. The fees revenue recognized in a year consists of all fees charged, accruals and adjustments made to accounts.

ii. Other fees are recognized as revenue when charged to an account and could be subject to adjustment on closing.

iii. Statutory fees are recognized as revenue when received.

c) Capital assets

Capital assets are recorded at cost and are amortized annually as follows:

Furnishings and equipment - 20%, diminishing balance basis

Computer hardware and software - 20%, straight-line basis, 10% in year of acquisition, software purchases less than $1 are expensed in year of acquisition

Leasehold improvements - 20%, straight-line basis

d) Use of estimates

In preparing the Agency's financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the period. Actual results could differ from these estimates.

e) Financial instruments

The Agency's financial instruments consist of cash, accounts receivable, investments, and accounts payable. It is management's opinion that the Agency is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values, unless otherwise noted.

3. Accounts receivable

The accounts receivable at March 31 are as follows:	2003	2002
Fees receivable	$ 739	$ 698
Allowance for doubtful accounts	(32)	(28)
	707	670
Interest receivable	1	2
Advances to client accounts	5	5
Cost recoveries	6	6
	$ 719	$ 683

4. Receivable from Province of Manitoba

The receivable from the Province of Manitoba is for vacation entitlements earned by the employees of the Agency prior to creation of the Special Operating Agency in the amount of $219 and for severance entitlements earned by employees to March 31, 1998 in the amount of $296. This receivable, or portion thereof, for the Public Trustee, will be collected in the event there is a cash shortfall. However, this is only likely to happen on the dissolution of the Public Trustee.

5. Capital Assets

	Cost	Accumulated Amortization	Net Book Value 2003	Net Book Value 2002
Furnishings & equipment	$ 176	$ 82	$ 94	$ 85
Computer hardware & software	70	64	6	12
Leasehold improvements	45	42	3	4
	$ 291	$ 188	$ 103	$ 101

PUBLIC TRUSTEE OF MANITOBA

(An Agency Of The Special Operating Agencies Financing Authority - Province of Manitoba)

NOTES TO FINANCIAL STATEMENTS

(In Thousands)

MARCH 31, 2003

6. Accounts payable and accruals

The accounts payable and accruals are as follows:

	2003	2002
Operating expenses payable	$ 44	$ 68
Salaries & benefits payable	113	75
Vacation entitlements accrual	327	307
GST payable to Revenue Canada	37	27
	$ 521	$ 477

7. Working capital

The Agency has an authorized line of working capital of $1,000 through SOAFA, which was unused and available at March 31, 2003.

8. Fees revenue

The Public Trustee charges fees for services as follows:

	2003	2002
Administration	$ 3,898	$ 3,809
Legal	256	350
Income tax	247	278
Inspection	161	73
	$ 4,562	$ 4,510

9. Other Administration expenses

The other administration expenses of the Agency are as follows:

	2003	2002
Computer expenses	$ 398	$ 354
Courier charges	5	4
Desktop costs	2	3
Insurance, loss, damage	29	16
Office supplies	45	42
Other	4	5
Personnel	18	31
Photocopy	16	16
Postage	45	34
Professional fees	29	25
Publications	4	8
Public communications	4	3
Records Centre Charges	9	0
Rentals, equipment	2	3
Repairs & maintenance	10	10
SAP costs	7	7
Support services - Department of Justice	22	22
Telephone	62	61
Travel	49	48
	$ 760	$ 692

10. Commitments

The Public Trustee has an arrangement with the Province of Manitoba for rental of its facilities in the Woodsworth Building in Winnipeg and its facility in the Provincial Building in Brandon. The Agency operates under an agreement for desktop computing. It is estimated that desktop computing costs will be $164 annually to 2003/2004.

11. Related party transactions

The Agency is related in terms of common ownership to all Province of Manitoba created departments, agencies and Crown corporations. The Agency enters into transactions with these entities in the normal course of business.

PUBLIC TRUSTEE OF MANITOBA

(An Agency Of The Special Operating Agencies Financing Authority - Province of Manitoba)

NOTES TO FINANCIAL STATEMENTS

(In Thousands)

MARCH 31, 2003

12. Escheats to the Crown

Escheats to the Crown, received by the Public Trustee during the year and remitted to the Minister of Finance, amounted to $ 49 (2002 - $122). These amounts are not reflected in these financial statements.

13. Estates and trusts under administration

The client assets under administration at March 31, 2003 total approximately $168,000 (2002 - $163,000). The trust activities of the Public Trustee are reported in separate Estates and Trusts under Administration financial statements.

14. Revenue stabilization reserve

The Public Trustee has allocated a reserve out of retained earnings to provide for short-term fluctuations in revenue due to changes in revenue patterns or extraordinary expenses.

15. Public Sector Compensation Disclosure Act

It is a requirement of The Public Sector Compensation Disclosure Act that annual public disclosure be made of individual compensation in an amount exceeding $50 annually to any officer or employee of the Agency. For the year ended March 31, 2003, the following employees received compensation in excess of $50:

Employee	Position	Amount
Bolton, M. Anne Q.C,	Senior Legal Officer	$ 101
Darrach, Bruce	Information Technologist 3	63
Drever, Bruce	Legal Counsel 3	98
Fergusson, John	Legal Counsel 2	92
Jachetta, Peter	Legal Counsel 3	93
Knowlton, Joanna	Legal Counsel 3	98
Kozusko, Norman	Information Technologist 4	69
Sallans, David	Management Analyst 3	66
Shaprio, Laurie	Estates Officer 4	52
Willis, Lorne (Retired)	Estates Officer 3	70

PUBLIC TRUSTEE OF MANITOBA
(An Agency Of The Special Operating Agencies Financing Authority - Province of Manitoba)

NOTES TO FINANCIAL STATEMENTS
(In Thousands)
MARCH 31, 2003

16. Severance pay benefits

Effective April 1, 1998, the Agency began recording accumulated severance pay benefits for its employees. The estimate of the liability was based on the method of calculation set by the Province.

An actuarial valuation report of the Agency's severance was completed as at March 31, 2000. The report provides a formula to update the liability on an annual basis. In accordance with the formula, the Agency's actuarial liability at March 31, 2003 has been calculated to be $ 434 (2002 - $ 414).

GOVERNMENT OF THE PROVINCE OF MANITOBA

The Public Trustee of Manitoba
Estates and Trusts under Administration

Balance Sheet as at March 31, 2003

ASSETS	2003	2002
Cash on hand and in bank	$ 862,578	$ 386,071
Investments - Common Fund (Notes 2(a) and 3)	122,914,157	120,448,974
- Specific Estates and Trusts (Notes 2(b) and 4)	34,204,740	32,552,185
Accrued interest receivable on common fund investments (Note 2(a))	2,295,832	2,479,748
Other assets at nominal value (Note 2(c))	1	1
	$ 160,277,308	$ 155,866,979

LIABILITIES	2003	2002
Other liabilities at nominal value (Note 2(d))	$ 1	$ 1
Public Trustee - Fees payable (Note 1)	23,860	14,589
- Expenditures payable (Note 5)	9,783	7,090
	33,644	21,680
Estates and trusts under administration:		
Excess of recorded value of assets over liabilities		
The Mental Health Act	100,372,693	102,454,093
The Public Trustee Act	59,870,971	53,391,206
	$ 160,277,308	$ 155,866,979

4. Investments - Specific Estates and Trusts

	2003	2002
Term deposits, investment certificates and treasury bills	$ 20,890,570	$ 18,934,274
Government of Canada and other bonds	8,835,004	9,161,340
Shares of capital stock and mutual funds	4,479,166	4,456,571
	$ 34,204,740	$ 32,552,185

5. Expenditures Payable to the Public Trustee

Expenditures payable to the Public Trustee represent disbursements made on behalf of estates or trusts for which funds were not immediately available. These expenditures will be recovered from the estates or trusts concerned by the Public Trustee in due course when funds become available. If funds do not become available, these expenditures are recovered from operating funds of the Public Trustee.

GOVERNMENT OF THE PROVINCE OF MANITOBA

The Public Trustee of Manitoba
Estates and Trusts under Administration

Notes to Financial Statements
March 31, 2003

1. Role and Objective

The Public Trustee administers estates of mentally disabled persons, estates of deceased persons, and infant trusts. The Public Trustee is considered to be an appointment of last resort. The Public Trustee provides a public service, generally where there is no other competent or acceptable person available to provide the required service.

Under Section 14 of The Public Trustee Act, the Public Trustee may charge fees for the services provided to the estates and trusts under her administration. Fees are charged quarterly to each estate and trust based on its anniversary date. Those estates and trusts which do not have sufficient funds may have the fees reduced or waived.

Effective April 1, 1996, the Public Trustee became a Special Operating Agency. The operations of the Public Trustee are reflected in a separate Special Operating Agency financial statement.

2. Significant Accounting Policies

Statement of Cash Receipts and Disbursements

The Statement of Cash Receipts and Disbursements reflects cash transactions which have occurred during the year for estates and trusts under administration.

Balance Sheet

The Balance Sheet reflects the financial position of estates and trusts under administration in accordance with the following significant accounting policies:

a) Investments - Common Fund

Investments of the common fund, established pursuant to Section 11(1) of The Public Trustee Act, are restricted to securities and loans authorized under The Trustee Act. Common fund investments are recorded at cost, adjusted for the amortization of premiums or discounts on purchase on a straight-line basis over the remaining term to maturity of the security. Interest is accrued on these investments. Earnings are distributed monthly to the individual estates and trusts on a pro rata basis.

b) Investments - Specific Estates and Trusts

Investments held for specific estates and trusts are recorded at the following values:

Investments purchased by the Public Trustee are recorded at cost.

Bonds, term deposits, investment certificates and treasury bills assumed under administration are recorded at par value.

Shares of capital stock and mutual funds assumed under administration are recorded at the market value as at the date of death for estates of deceased persons or as at the date of assumption for all other estates. If market value is not available, shares of capital stock and mutual funds are recorded at a nominal value of $1.

c) Other Assets

Other assets which include bank accounts, accounts receivable, mortgages, notes receivable, real estate and other tangible assets are recorded for these financial statements at an aggregate nominal value of $1 as valuation of these assets is not readily determinable. These assets are recorded on the client accounts at estimated market value for administrative purposes.

d) Other Liabilities

Other liabilities which include accounts payable, mortgages and notes payable are recorded for these financial statements at an aggregate nominal value of $1 as valuation of these liabilities is not readily determinable. These liabilities are recorded on the client accounts at estimated market value for administrative purposes.

3. Investments - Common Fund

	2003 Par Value	2003 Book Value	2002 Book Value
1. Term deposits & investment certificates	$ 32,100,000	$ 32,100,000	$ 32,100,000
2. Government of Canada bonds	58,000,000	60,208,522	59,210,724
3. Province of Manitoba bonds	4,500,000	4,501,884	4,499,490
4. Province of Quebec bonds	3,000,000	2,953,022	2,945,411
5. Province of Ontario bonds	5,600,000	5,828,223	4,322,994
6. Ontario Hydro-Electric bonds	5,500,000	5,498,936	5,492,674
7. Province of New Brunswick bonds	4,400,000	4,275,193	4,253,374
8. Province of Saskatchewan bonds	6,000,000	6,244,700	6,304,046
9. Manitoba Hydro & Manitoba Builder savings bonds	260,000	256,016	252,719
10. Province of British Columbia bonds	1,000,000	1,047,661	1,067,542
	$ 120,360,000	$ 122,914,157	$ 120,448,974

GOVERNMENT OF THE PROVINCE OF MANITOBA

The Public Trustee of Manitoba
Estates and Trusts under Administration

Statement of Cash Receipts and Disbursements
for the year ended March 31, 2003

RECEIPTS	2003	2002
Funds held by estates and trusts brought under administration	$ 12,622,220	$ 14,149,600
Realization of equities in other estates	1,342,612	1,360,438
Pensions, compensation and assistance	25,943,019	25,574,547
Sickness, disability and other insurance benefits	6,286,565	6,031,554
Investment income	8,426,255	9,232,441
Sale of estate property	3,015,359	2,223,597
Collections on accounts receivable	1,464,255	1,305,557
Total receipts, before sale or redemption of securities	59,100,285	59,877,734
Sale and redemption of securities - Common Fund	31,600,000	32,700,000
Sale and redemption of securities - Specific Estates and Trusts	7,821,121	7,597,783
Total Receipts	98,521,406	100,175,517
DISBURSEMENTS		
Room, board and other maintenance expense	25,202,985	24,423,641
Preservation of estates	3,624,414	3,923,854
Other estate expense	1,968,829	1,726,886
Administration and passing of accounts (Note 1)	4,412,499	4,375,445
Estates and trusts released from administration	21,255,664	24,700,755
Total disbursements, before purchase of securities	56,464,391	59,150,581
Purchase of securities - Common Fund	35,022,960	36,489,108
Purchase of securities - Specific Estates and Trusts	6,557,548	4,456,626
Total Disbursements	98,044,899	100,096,315
Cash receipts over disbursements	476,507	79,202
Cash position at start of year	386,071	306,869
Cash position at end of year	$ 862,578	$ 386,071

OFFICE OF THE FIRE COMMISSIONER

Management's Report

For the year ended March 31, 2003:

The accompanying financial statements of the Office of the Fire Commissioner are the responsibility of management and have been prepared in accordance with Canadian generally accepted accounting principles. In the management's opinion, the financial statements have been properly prepared within the reasonable limits of materiality, incorporating management's best judgement regarding all necessary estimates and all other data available up to May 29, 2003.

Management maintains internal controls to provide reasonable assurance of the reliability and accuracy of the financial information and that the assets of the Office of the Fire Commissioner are properly safeguarded.

The responsibility of the auditor is to express an opinion of whether the financial statements of the Office of the Fire Commissioner are fairly presented in accordance with Canadian generally accepted accounting principles. The auditor's report outlines the scope of the audit examination and provides the audit opinion.

On behalf of management,

Douglas Popowich
Fire Commissioner

Brian A. Hodge, CGA
Comptroller

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Auditors' Report

To the Special Operating Agencies Financing Authority

We have audited the balance sheet of the **Office of the Fire Commissioner** as at March 31, 2003 and the statements of operations and retained earnings and cash flows for the year then ended. These financial statements are the responsibility of the Agency's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Agency as at March 31, 2003 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

BDO Dunwoody LLP

Chartered Accountants

Winnipeg, Manitoba
May 29, 2003

OFFICE OF THE FIRE COMMISSIONER - An Agency Of The Special Operating Agencies Financing Authority
Balance Sheet

March 31	2003	2002
	(000's)	
Assets		
Current Assets		
Cash	$ 2,916	$ 2,341
Short-term investments (Note 3)	1,886	2,390
Accounts receivable (Note 4)	2,144	971
Accrued interest	11	1
Inventory	17	30
Prepaid expenses	26	23
	7,000	5,756
Capital assets (Note 6)	5,616	5,554
	$ 12,616	$ 11,310
Liabilities and Equity		
Current Liabilities		
Accounts Payable	$ 410	$ 92
Accrued Liabilities	464	451
Deferred Revenue	564	133
	1,438	676
Severance (Note 7)	362	358
	1,800	1,034
Equity		
Retained Earnings	10,816	10,276
	$ 12,616	$ 11,310

Approved on behalf of the Special Operating Agency Advisory Board:

Chairperson

Fire Commissioner

The accompanying notes are an integral part of these financial statements

OFFICE OF THE FIRE COMMISSIONER - An Agency Of The
Special Operating Agencies Financing Authority
Statement of Operations and Retained Earnings

For the year ended March 31

(000's)

	2003 Actual	2002 Actual	Variance	Budget	Budget Variance
Revenue					
Levy	$ 3,996	$ 3,479	$ 517	$ 3,468	$ 528
Permits, Plan Review & Per Capita	1,106	807	299	919	187
Tuition & Contract Revenue	1,365	1,120	245	976	389
New SAR Initiative (NIF) Grant (Note 9)	120	-	120	-	120
JEPP Initiative Grant (Note 10)	528	-	528	-	528
Interest	81	136	(55)	101	(20)
Inspections	9	7	2	35	(26)
Emergency Services Conference	106	83	23	86	20
Book Sales	9	21	(12)	2	7
Rent	1	1	-	4	(3)
Water Bomber Recovery	188	-	188	100	88
Other Revenue	76	39	37	22	54
Total Revenue	7,585	5,693	1,892	5,713	1,872
Expenses					
Salaries and Benefits	3,063	2,939	124	3,619	(556)
Amortization	409	423	(14)	483	(74)
Vehicle Lease	324	313	11	305	19
Travel	301	308	(7)	316	(15)
Repairs and Maintenance	290	308	(18)	165	125
Phone	173	151	22	145	28
Mutual Aid	99	118	(19)	125	(26)
Rent	175	166	9	110	65
Desktop Management	232	213	19	252	(20)
Medical Computer Lab	25	-	25	25	-
Property Taxes	108	107	1	110	(2)
Labour Services	81	81	-	81	-
Supplies	181	235	(54)	328	(147)
Public Education Material	77	58	19	65	12
Marketing	12	24	(12)	34	(22)
Utilities	79	63	16	60	19
Insurance	81	78	3	98	(17)
Professional services	241	218	23	235	6
Postal & Courier	40	38	2	41	(1)
Professional Development	16	6	10	20	(4)
Land Lease	10	10	-	10	-
Publications	32	16	16	30	2
Buildings Standards Board	3	3	-	1	2
S O A Board	1	2	(1)	5	(4)
Books	-	21	(21)	-	-
Search and Rescue	20	20	-	101	(81)
New SAR Initiative (NIF) Expenditures (Note 9)	144	-	144	-	144
JEPP Initiative Expenditures (Note 10)	460	-	460	-	460
JEPP Initiative Amortization (Note 10)	68	-	68		68
Water Bombing	188	-	188	100	88
Other	112	69	43	77	35
	7,045	5,986	1,059	6,941	104
Net income (loss) for the year	540	(293)	833	(1,228)	1,768
Retained earnings, beginning of year	10,276	10,569			
	$ 10,816	$ 10,276			

The accompanying notes are an integral part of these financial statements

OFFICE OF THE FIRE COMMISSIONER - An Agency Of The Special Operating Agencies Financing Authority
Statement of Cash Flows

For the year ended March 31	2003	2002
	(000's)	
Cash Flows from Operating Activities		
Net income (loss) for the year	$ 540	$ (293)
Items not involving cash		
Amortization of capital assets	477	423
	1,017	130
Net change in non-cash working capital balances	(407)	(717)
	610	(587)
Cash Flows from Investing Activities		
Purchase of capital assets	(539)	(137)
Increase (decrease) in cash and cash equivalents during the year	71	(724)
Cash and cash equivalents, beginning of year	4,731	5,455
Cash and cash equivalents, end of year	$ 4,802	$ 4,731
Represented by:		
Cash and bank	$ 2,916	$ 2,341
Short-term investments	1,886	2,390
	$ 4,802	$ 4,731

The accompanying notes are an integral part of these financial statements.

1. NATURE OF THE OFFICE OF THE FIRE COMMISSIONER

Effective April 1, 1996, the Office of the Fire Commissioner was designated as a Special Operating Agency (SOA) under The Special Operating Agencies Financing Authority Act, Cap. S185, C.C.S.M. and operates under a charter approved by the Lieutenant Governor in Council.

Effective April 1, 1996, a Transfer Agreement executed between the Government of Manitoba (Labour) and the Financing Authority, a corporation under The Special Operating Agencies Financing Authority (SOAFA) Act, transferred all assets in the Fires Prevention Fund valued at $11,809 to the Financing Authority.

A Management Agreement executed between the Financing Authority and the Government of Manitoba (Labour) assigned responsibility to the Office of the Fire Commissioner to manage and account for the related assets and operations on behalf of the Financing Authority. The Office itself does not hold title to any assets. Effective April 1, 1996, the Financing Authority established a fund account referred to as the Fires Prevention Fund to hold these assets.

The Office of the Fire Commissioner will continue to be part of the Department of Labour and ultimately under the policy direction of the Minister of Labour.

The Office of the Fire Commissioner will remain bound by relevant legislation and regulations. It will also remain bound by administrative policy except where specific exemptions have been provided for in its charter in order to meet business objectives.

The Office of the Fire Commissioner is economically dependent on the Province of Manitoba, as it derives most of its revenues from the Fires Prevention Levy.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of accounting

The financial statements are presented in accordance with Canadian generally accepted accounting principles.

b) Financial Instruments

The Agency's financial instruments consist of cash, accounts receivable, investments and accounts payable. Unless otherwise noted, it is management's opinion that the Agency is not exposed to significant interest, currency or credit risks arising from these financial instruments.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

c) Accounting estimates and assumptions

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reported period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the period in which they become known.

d) Inventory

Inventory is valued at cost.

e) Capital assets

Buildings, fire engines, other vehicles and air compressors transferred to the SOAFA from the Government of Manitoba on April 1, 1996 were valued at the lower of their amortized cost or estimated market value. All other assets transferred from the Government of Manitoba on April 1, 1996 were valued at their market value.

The Office provides for amortization of its capital assets on the following basis:

Buildings	40 years straight line
Practical training site	20 years straight line
Equipment	20% declining balance
Equipment – JEPP Initiative	20% declining balance
Fire engines	30% declining balance
Other vehicles	30% declining balance
Air compressors	20% declining balance
Furniture	20% declining balance
Computer equipment and software	5 years straight line
Computer equipment – JEPP Initiative	5 years straight line

The half-rate rule is applied to computer equipment and software additions during the year.

f) Revenue recognition

The Fires Prevention Act imposes a special assessment on licensed insurers equal to a set percentage of total property insurance premiums.

The Office of the Fire Commissioner collects this levy based on the value of premiums and assessments in respect to property insurance in a calendar year. Levy revenue with respect to the 2002 calendar year will be recognized as revenue in the fiscal year ending March 31, 2003. The levy rate is set at 1.25%.

All other revenue is recognized when earned.

March 31, 2003 (000's)

3. INVESTMENTS

The Investment Balance represents funds on deposit with the Department of Finance of the Province of Manitoba with maturities of less than one (1) year. Investments on deposit with maturities greater than one (1) year are classified as long term.

4. ACCOUNTS RECEIVABLE

Accounts receivable includes $559 due from the Province of Manitoba, which represents $248 in estimated unpaid vacation pay and overtime as at March 31, 1996, $282 representing the estimated liability for severance pay (see note 7) as at April 1, 1998, $29 as at March 31, 2000 representing severance plan amendment costs net of an actuarial valuation gain (see note 7). The timing of the collection of these receivables will vary for each SOA. The receivable, or portion thereof, for the Office of the Fire Commissioner will be collected in the event that there is a cash shortfall. However, this is only likely to happen on the dissolution of the Agency.

The accounts receivable balance is made up of the following:

	2003	2002
Insurance Branch of Department of Consumer & Corporate Affairs	$ 797	$ 400
Office of Critical Infrastructure Protection and Emergency Preparedness (JEPP Initiative)	554	-
Province of Manitoba	559	559
National Search and Rescue Secretariat (NIF Initiative)	10	-
Other	224	12
	$ 2,144	$ 971

5. COMPARATIVE AMOUNTS

The comparative amounts presented in the financial statements have been restated to conform to the current year's presentation.

6. CAPITAL ASSETS

	Opening Balance	Additions	Disposals	Closing Balance
Buildings	$ 4,043	$ 4	$ -	$ 4,047
Training site	1,901	34	-	1,935
Equipment	1,051	126	-	1,177
Equipment – JEPP Initiative	-	336	-	336
Fire engines	459	-	-	459
Other vehicles	204	-	-	204
Air compressors	179	20	-	199
Furniture	70	-	-	70
Computers	122	12	-	134
Computers – JEPP Initiative	-	7	-	7
Total cost	$ 8,029	$ 539	$ -	$ 8,568

	Opening Accumulated Amortization	Disposition	Current Year's Amortization	Accumulated Amortization
Building	$ 710	$ -	$ 119	829
Training site	380	-	95	475
Equipment	618	-	109	727
Equipment – JEPP Initiative	-	-	67	67
Fire Engines	347	-	34	381
Other vehicles	175	-	9	184
Air compressors	123	-	15	138
Furniture	50	-	4	54
Computers	72	-	24	96
Computers – JEPP Initiative	-	-	1	1
Total amortization	$ 2,475	$ -	$ 477	$ 2,952
Net capital assets	$ 5,554			$ 5,616

7. SEVERANCE LIABILITY

Effective April 1, 1998, The Office of the Fire Commissioner began recording accumulated severance pay benefits for its employees. The estimate of the liability was based on the method of calculation set by the Province.

The Province has accepted responsibility for the severance benefits accumulated by The Office of the Fire Commissioner's employees to March 31, 1998. Accordingly, the opening severance pay liability balance as at April 1, 1998 of $282 was completely offset by a receivable from the Province. The receivable from the Province, or portion thereof, for the Office of the Fire Commissioner will be collected in the event there is a cash shortfall. However, this is only likely to happen on the dissolution of the Agency.

An actuarial valuation report of the Agency's severance as at March 31, 2000 was completed. The liability as at March 31, 2000 was restated to $340 and the receivable from the Province was restated to $311 as a result of the actuarial valuation. There was no effect on the severance benefit expense for the year ended March 31, 2000. The report provides a formula to update the liability on an annual basis. In accordance with the formula, the Agency's actuarial liability has been calculated to be $362 as at March 31, 2003.

8. CONTRIBUTED CAPITAL

In consideration of the transfer of said assets effective April 1, 1996, the SOAFA shall:

a) not incur or repay to the Government of Manitoba any debt relative to the assets as described in the balance sheet prepared as of March 31, 1996 and verified by the Department of Finance; and

b) record the balance of $11,038 (being the balance of the net assets as described in the balance sheet prepared as of March 31, 1996 and verified by the Department of Finance) as Manitoba's equity in the Financing Authority as related to the Agency's operations.

Due to a change in accounting policy, buildings are being amortized over 40 years as opposed to 30 years. This has resulted in a revaluation of buildings as at April 1, 1996. The value of buildings and contributed equity has increased $241 as at April 1, 1996 to $11,279.

9. NEW SEARCH AND RESCUE (SAR) INITIATIVE (NIF)

The Office of the Fire Commissioner has applied for and received a grant from the National Search and Rescue Secretariat of the Department of National Defence. The purpose of this grant is to enhance Manitoba search and rescue capabilities by developing the volunteer search and rescue system aimed at northern and remote areas of Manitoba.

The Office will receive a grant in the amount of $188 over a two year period, with an amount of $120 received in 2002/03 and the remaining $68 to be received in 2003/04. The Office will provide services in kind of $63 over the same period, with an amount of $30 provided in 2002/03 and the remaining $33 in 2003/04.

9. NEW SEARCH AND RESCUE (SAR) INITIATIVE (NIF) (continued)

The New SAR Initiative (NIF) Grant line item reflects the grant received in Fiscal 2003 of $120. The New SAR Initiative (NIF) Expenditures line item reflects the following:

Operating expenditures	$ 114
Office of the Fire Commissioner service-in-kind portion	30
Total	$ 144

An additional $3 of the grant was utilized to purchase a capital asset for this initiative. This amount is reflected on the balance sheet Capital Asset line item and will be amortized based on the declining balance method at a rate of 20% for equipment.

10. JOINT EMERGENCY PREPAREDNESS PROGRAM (JEPP) GRANT

The Office of the Fire Commissioner has applied for and will receive a grant from the Office of Critical Infrastructure Protection and Emergency Preparedness. The purpose of this grant is to enhance the Province of Manitoba's ability to respond to hazardous material emergency responses through the provision of equipment and training. The Province of Manitoba also is providing funding to the Office for this initiative.

The Office has applied for and will receive an amount of $554 from the Office of Critical Infrastructure Protection and Emergency Preparedness. The Office has also applied for and has received an amount of $274 from the Province of Manitoba, for a total grant revenue of $828. $300 of this total grant revenue has been allocated to deferred revenue.

The JEPP Initiative Expenditure line item is comprised of the following:

Non-capital equipment purchases	$ 397
JEPP capital asset amortization – Fiscal 2002/03	68
Salary costs	59
Operating expenditures	4
Total	$ 528

An additional $342 was utilized to purchase capital assets for this initiative. An amount of $336 is reflected on the balance sheet Capital Asset line item and will be amortized based on the declining balance method at a rate of 20% for equipment. An additional amount of $7 is reflected on the balance sheet Capital Asset line item and will be amortized based on the five-year straight-line method for computer equipment. The deferred revenue related to these capital asset purchases will be recognized in the same fiscal year and in the same amount as the amortization expense on the JEPP capital assets.

11. COMMITMENTS AND CONTINGENCIES

The Office of the Fire Commissioner as tenant has entered into a Lease Agreement with the City of Brandon as Landlord for the land upon which the practical training facility has been constructed. The term of the Lease is five (5) years commencing June 1, 2002 and expiring May 31, 2007, with three (3) five-year renewal options. Minimum annual rent is $10 due in equal monthly instalments, plus all operating costs with respect to the subject land.

The Office of the Fire Commissioner has entered into 29 vehicle lease agreements and 5 equipment lease agreements which give rise to commitments as follows:

	March 31
2004	$ 212
2005	135
2006	99
2007	58
2008	58
	$ 562

At the end of each lease, the Agency is obligated to pay any shortfall between the net proceeds on vehicle disposition and the agreed residual value.

12. PUBLIC SECTOR COMPENSATION

Pursuant to disclosure required by The Public Sector Compensation Disclosure Act, no remuneration was paid to the Advisory Board members. During the fiscal year ended March 31, 2003, the following employees received compensation of wages and taxable benefits of $50 or more:

Name	Position	2003	2002
R. Vandekerkhove	Investigator	$ 86	$ -
D. Popowich	Fire Commissioner	83	81
B. Hodge	Comptroller	68	-
M. Bedford	Emergency Services Officer	68	58
C. Hogarth	Investigator	68	63
G. Favelle	Manager, Critical Incident Stress Management	68	-
D. B. Monkman	Investigator	66	73
R. Denslow	Emergency Services Officer	66	60
R. Gillis	Emergency Services Officer	65	64
A. J. Campbell	Manager, Codes and Standards	65	64
K. Swan	Investigator	64	67
D. Schafer	Manager, Emergency Services	64	-
R. Harvey	Emergency Services Officer	60	52
A. Gray	Emergency Services Officer	58	52
W. Harrow	Investigator	58	-
S. Wolf	Technical Services Officer	57	-
T. Jennings	Technical Services Officer	57	52
L. Treloar	Technical Services Officer	56	55
B. Bryan	Coordinator, Emergency Medical Programs	56	57

12. PUBLIC SECTOR COMPENSATION (continued)

Name	Position	2003	2002
B. D. Popko	Manager, Emergency Services College	55	51
D. R. Beacham	Special Projects Officer	54	53
R. Pike	Coordinator, Public Fire Paramedic Program	54	-
B. J. Metruk	Emergency Services Officer	54	54
K. D. Hykawy	Technical Services Officer	53	52
J.P. Lebel	Manager, Special Projects	53	52
E. Moore	Emergency Services Officer	53	50
B. E. Hollier	Manager, Administration and Support Services	53	52
K. Carmichael	Emergency Services Officer	52	53
T. Grimshaw	Technical Services Officer	52	52
M. Watt	Coordinator, Hazardous Materials Program	52	-
M. Kerbis	Coordinator, Ground Search and Rescue	52	-
B. Holowachuk	Special Projects Officer	51	-
C. R. Sanderson	Deputy Fire Commissioner	-	72
R. Pearson	Emergency Services Officer	-	63
G. Kurdydyk	Investigator	-	60
K. Bong Hwan	Analyst	-	56
S. Hall	Technical Services Officer	-	52

FOOD DEVELOPMENT CENTRE

Financial Statements
(In Thousands)

Year Ended March 31, 2003

Responsibility for Financial Reporting

The Agency is responsible for preparing the financial statements and other financial information in the Annual Report. This responsibility includes maintaining the integrity and objectivity of financial data and the presentation of the Agency's financial position and results of operations in accordance with generally accepted accounting principles. The financial statements include amounts that are based on management's best estimates and judgements. The Agency's financial statements have been audited by The Exchange Group, independent external auditors.

The Agency maintains a system of internal controls throughout its operation that provides reasonable assurance that transactions are authorized, properly recorded and reported, and those assets are safeguarded.

The Advisory Board meets regularly with management to review accounting practices, financial reporting, and to discuss audit results. The auditors have free and full access to this board, to discuss the results of their audit and their views on the adequacy of internal controls and the quality of financial reporting.

Dave Donaghy
C.E.O

June 18, 2003

Pat Scott

Pat Scott
General Manager

June 18, 2003

FOOD DEVELOPMENT CENTRE

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Year Ended March 31, 2003

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EXG

THE EXCHANGE

chartered accountants

AUDITORS' REPORT

To the Special Operating Agencies Financing Authority

We have audited the balance sheet of Food Development Centre , an Agency of the Special Operating Agencies Financing Authority, Province of Manitoba as at March 31, 2003 and the statements of income and retained earnings and statement of cash flows for the year then ended. These financial statements are the responsibility of the Centre's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Centre as at March 31, 2003 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

THE EXCHANGE

chartered accountants

Winnipeg, Manitoba
June 18, 2003

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Telephone: (204) 943-4584 Fax. (204) 957-5195
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FOOD DEVELOPMENT CENTRE

Balance Sheet

(In Thousands)

March 31, 2003

	2003	2002
ASSETS		
CURRENT		
Cash	$ 2	$ 2
Restricted cash for expansion *(Note 14)*	3,509	-
Accounts receivable *(Note 3)*	75	232
Prepaid expenses	81	35
	3,667	269
FIXED ASSETS *(Note 2, 4)*	831	229
FUNDS HELD ON DEPOSIT *(Note 5)*	28	27
SEVERANCE RECEIVABLE FROM PROVINCE *(Note 11, 12)*	41	41
	$ 4,567	$ 566
LIABILITIES		
CURRENT		
Working capital payable	$ 594	$ 257
Accounts payable and accrued liabilities	324	85
Accrued vacation pay *(Note 7)*	106	87
Unearned revenue	41	34
	1,065	463
SEVERANCE LIABILITY *(Note 11)*	50	58
DEFERRED CONTRIBUTIONS *(Note 2)*	3,351	-
	4,466	521
RETAINED EARNINGS	101	45
	$ 4,567	$ 566

FOOD DEVELOPMENT CENTRE

Statement of Income and Retained Earnings

Year Ended March 31, 2003

	2003	2002
REVENUE		
Contract - Province of Manitoba	$ 1,501	$ 1,322
Contract - National Research Council	55	50
Fee for service	141	187
Consulting and training services	32	68
Lease income	8	104
Interest and other income	21	109
Contract - Federal	16	-
	1,774	1,840
DIRECT OPERATING EXPENSES		
Lab supplies	41	45
Purchases services	32	39
Travel	64	80
Salaries	946	935
Postage, courier and telephone	39	44
Printing and stationery	16	18
Marketing	74	72
Library	36	54
Satellite office	2	5
	1,250	1,292
GROSS PROFIT	524	548
EXPENSES	438	426
INCOME FROM OPERATIONS	86	122
OTHER INCOME		
Loss on disposal of assets	(16)	-
Write down of other assets	(15)	(47)
Miscellaneous	1	-
	(30)	(47)
NET INCOME	56	75
RETAINED EARNINGS (DEFICIT) - BEGINNING OF YEAR	45	(30)
RETAINED EARNINGS - END OF YEAR	$ 101	$ 45

FOOD DEVELOPMENT CENTRE

Statement of Cash Flows

Year Ended March 31, 2003

	2003	2002
OPERATING ACTIVITIES		
Cash receipts from customers	$ 362	$ 448
Cash receipts from contracts	1,572	1,372
Cash paid to suppliers and employees	(1,409)	(1,655)
Interest received	6	6
Interest paid	(3)	(2)
Cash flow from operating activities	528	169
INVESTING ACTIVITIES		
Additions to capital assets	(710)	(26)
Proceeds on disposal of capital assets	3	-
Cash flow used by investing activities	(707)	(26)
FINANCING ACTIVITY		
Deferred contributions	3,351	-
Cash flow from financing activity	3,351	-
INCREASE IN CASH FLOW	3,172	143
Deficiency - beginning of year	(255)	(398)
CASH (DEFICIENCY) - END OF PERIOD	$ 2,917	$ (255)
CASH (DEFICIENCY) CONSISTS OF:		
Cash	$ 2	$ 2
Cash restricted for expansion	3,509	-
Working capital payable	(594)	(257)
	$ 2,917	$ (255)

FOOD DEVELOPMENT CENTRE

Notes to Financial Statements

(In Thousands)

Year Ended March 31, 2003

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1. NATURE OF ORGANIZATION

Established in 1977, as part of the Manitoba Research Council, the Food Development Centre serves the agri-food industry by providing a wide range of services in the food, feed and beverage industries. Food Development Centre offers food product development research, testing services and assistance with technology transfer to enable industry to efficiently and economically produce high quality foods.

Effective April 1, 1996, the Food Development Centre was designated as a Special Operating Agency by regulation under The Special Operating Agencies Financing Authority Act made by the Lieutenant Governor in Council.

The Centre is financed through the Special Operating Agencies Financing Authority (SOAFA). The Financing Authority has the mandate to hold and acquire assets required for and resulting from Centre operations. It finances the Centre through repayable loans and working capital advances. The financial framework enables the Centre to operate in a business-like manner according to public policy expectations.

A Management Agreement with the Financing Authority assigns responsibility to the Centre to manage and account for the Centre-related assets and operations on behalf of the Financing Authority.

The Food Development Centre is a part of the Department of Agriculture and Food under the general direction of a General Manager and Chief Executive Officer, and ultimately the policy direction of the Deputy Minister and Minister.

The Food Development Centre remains bound by relevant legislation and regulations.

The Food Development Centre is economically dependent upon the Province of Manitoba, as it derives a significant portion of its revenue from the Province.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles. Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of financial statements for a period necessarily involves the use of estimates which have been made using careful judgement. The financial statements have, in management's opinion, been properly prepared within the reasonable limits of materiality and within the framework of the significant accounting policies summarized below:

Basis of Reporting

The financial statements of the Centre are presented in accordance with Canadian generally accepted accounting principles.

Fixed Assets

Fixed assets assumed as part of the conversion to a Special Operating Agency, April 1, 1996 are stated at their estimated fair value as determined by the Province. Fixed assets are stated at cost less accumulated amortization. Fixed assets are amortized over their estimated useful lives at the following rates and methods:

Equipment and sign	20%	declining balance method
Computer hardware and software	20%	straight-line method
Signage	20%	declining balance method

(continues)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Other Assets

Research and development costs are expended as incurred.

Revenue Recognition

Fee for service revenue is recognized on percentage of completion basis.

All funds received and due from the Province of Manitoba at year end have been recognized as income in the current year except for the funds received for the construction of the new building. These amounts have been treated as deferred contributions and will be taken into income to match the amortization of the expansion.

3. ACCOUNTS RECEIVABLE

The accounts receivable balance is comprised of the following amounts:

	2003	2002
Trade accounts receivable	$ **145**	$ 293
Allowance for doubtful accounts	**(70)**	(61)
	$ **75**	$ 232

4. FIXED ASSETS

	Cost	Accumulated amortization	**2003 Net book value**	2002 Net book value
Equipment and sign	$ 804	$ 251	$ **553**	$ 193
Computer hardware and software	183	125	**58**	36
Leasehold improvements	220		**220**	-
	$ 1,207	$ 376	$ **831**	$ 229

Included in fixed assets is equipment with a net book value of $1 (2002- $1), which is being leased to clients of the Food Development Centre.

5. FUNDS HELD ON DEPOSIT

Effective April 1, 2000, the assets and liabilities of the analytical services division were sold to Norwest Soil Research Ltd. The Centre has received a $25 deposit from Norwest Soil Research Ltd. as part of the sales agreement. Under the agreement, Norwest must maintain certain levels of revenue from work performed in the Province of Manitoba for the cumulative period of five years from the effective date of the agreement. If they fail to meet these conditions, the deposit and accrued interest are forfeited to the Food Development Centre.

For the year ended March 31, 2002 there is a shortfall of $17, at the present time there has not been any amount set up as a receivable or any reduction in the deposit. The surplus or shortfall for the year ended March 31, 2003 has not yet been determined.

6. WORKING CAPITAL PAYABLE

The Centre has an authorized line of working capital of $1,000 of which $594 was used as at March 31, 2003 (2002 - $257 was used).

7. ACCRUED VACATION PAY

The employees of the Food Development Centre are entitled to vacation pay in the current year, based on the prior year's employment. A provision for this liability has been recorded in the financial statements.

8. DEFICIENCY IN ASSETS

The Special Operating Agencies Financing Authority and the Manitoba Provincial Government entered into a Transfer Agreement respecting the transfer, from the Provincial Government to the Financing Authority, of the net assets required for the continuing operations of the Food Development Centre. As at April 1,1996, the date of transfer, the liabilities assumed exceeded the value of the assets in the amount of $35. This amount was recorded as the deficit at April 1, 1996.

9. PUBLIC SECTOR COMPENSATION DISCLOSURE

It is a requirement of the Public Sector Compensation Disclosure Act that annual public disclosure be made of individual compensation exceeding $50 annually to any officer or employee of the Province of Manitoba. the following employees received compensation in excess of $50:

	2003	2002
Utioh, Alphonsus - Manager Product and Process Development	$ 79	$ 92
Scott, Pat - Controller/General Manager	83	79
Schmulgen, Markus - Business Development Co ordinator	57	54
Offet, Gerald - Former General Manager (Interchange Agreement)	-	79

10. COMMITMENT

The Food Development Centre is obligated to make payments to Workers Compensation for an employee currently on disability. The total financial impact impact on the Centre is not determinable since the length of time the payments will be required is unknown.

The Centre has not entered into a lease agreement with the Province of Manitoba for its premises.

11. SEVERANCE LIABILITY

Effective April 1, 1998, the Centre is recording accumulated severance pay benefits for its employees. Severance pay is determined by multiplying years of service, to a maximum of fifteen years, by the weekly salary at date of retirement, provided the employee reaches nine years of service and retires from the Centre. The estimate is based upon the method of calculation set by the Province of Manitoba.

The Province has accepted responsibility for the severance benefits accumulated by the Centre's employees to March 31, 1998. Accordingly, the opening severance pay liability balance as at April 1, 1998 of $83 was completely offset by a receivable from the Province. An adjustment was made in 2001 to reduce the receivable from the Province to $41. There are no terms of repayment for this receivable, and the amount will remain fixed at $41.

12. SEVERANCE RECEIVABLE FROM PROVINCE

The receivable from the Province of Manitoba is for severance pay benefits earned by the employees of Food Development Centre to March 31, 1998. The receivable, or portion thereof, will be collected in the event that there is a cash shortfall. However, this in only likely to happen on the dissolution of the Food Development Centre.

13. PENSION BENEFIT

In accordance with the provisions of The Civil Service Superannuation Act, employees of the Centre are required to contribute to the Civil Service Superannuation Fund at prescribed rates for defined benefits. The Centre matches the employees' contributions to the Fund. Under this Act, Food Development Centre has no further pension liability. The amount contributed and expensed by the Centre in the current year was $47 (2002 - $39).

14. RESTRICTED CASH FOR EXPANSION

In April of 2002 the Food Development Centre received approval for an $11 million expansion funded by the Federal and Provincial governments. The redeveloped facility will provide space for Great Plains Aseptic Processors, a Manitoba company that will use Tetra Pak technology to operate a commercial liquid food processing and packaging facility.

The existing facility will be renovated to qualify for the Canadian Food Inspection Agency registration, which will allow clients to develop, process and package products on site for sale to interprovincial and international markets.

The expansion will be completed during the March 31, 2005 year-end. As at March 31, 2003 $3,509 is being held as cash restricted for expansion to be used for the completion of this project.

15. FINANCIAL INSTRUMENTS

The Centre's financial instruments consist of cash, accounts receivable, investment, accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the Centre is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximate their carrying values, unless otherwise noted.

FOOD DEVELOPMENT CENTRE

Expenses

Year Ended March 31, 2003

	2003	2002
EXPENSES		
Accreditation and licensing fees	$ 3	$ 3
Amortization	89	76
Bad debts	9	22
Computer expenses	34	9
Equipment operating costs	18	27
Insurance	27	24
Interest	3	2
Memberships	6	6
Occupancy expenses	205	211
Professional fees	13	10
Repairs and maintenance	26	16
Staff relocation	-	5
Training	5	15
	$ 438	$ 426

The Property Registry

An Agency of the Special Operating Agencies Financing Authority

Province of Manitoba

Financial Statements

(In Thousands)

March 31, 2003

Grant Thornton

The Property Registry
Office d'enregistrement des titres et des instruments
Manitoba Consumer and Corporate Affairs · Manitoba Consommation et Corporations

Management's report

To the Special Operating Agencies Financing Authority

The accompanying financial statements and the information in the Annual Report are the responsibility of the management of The Property Registry. The financial statements have been prepared in accordance with generally accepted accounting principles and include amounts that are based on management's best estimates and judgements.

In support of its responsibility, management has developed and maintains a system of internal controls designed to provide reasonable assurance that transactions are authorized, financial reporting is reliable, and that assets are safeguarded.

The Advisory Board meets regularly with management to review accounting practices, financial reporting and to discuss audit results. The auditors have free and full access to this Board, if required, to discuss the results of their audit and their views on the adequacy of internal controls and the quality of financial reporting.

The financial statements have been audited by our external auditors, Grant Thornton, who report to the Special Operating Agencies Financing Authority.

On behalf of Management,

Richard M. Wilson, B.A., LL.B. Registrar General and Chief Operating Officer	E. Brian Strong, CMA Director Finance and Systems

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Grant Thornton

Grant Thornton LLP
Chartered Accountants
Management Consultants

Auditors' Report

To the Special Operating Agencies Financing Authority

We have audited the balance sheet of **The Property Registry, an Agency of the Special Operating Agencies Financing Authority, Province of Manitoba** as at March 31, 2003 and the statements of earnings and retained earnings and cash flows for the year then ended. These financial statements are the responsibility of the Agency's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Agency as at March 31, 2003 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Grant Thornton LLP

Winnipeg, Canada
June 9, 2003

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The Property Registry

An Agency of the Special Operating Agencies Financing Authority - Province of Manitoba

Balance Sheet

(In Thousands)

March 31	2003	2002
Assets		
Current		
Cash and short-term investments	$ 6,967	$ 5,053
Customer deposits	1,161	1,249
Accounts receivable (Note 3)	103	105
Prepaid expenses	54	59
	8,285	6,466
Due from Province of Manitoba (Note 4)	1,622	1,622
Capital assets, net of accumulated amortization (Notes 2 and 5)	346	395
	$ 10,253	$ 8,483
Liabilities		
Current		
Accounts payable and accrued liabilities	$ 990	$ 1,988
Deferred revenue	1,163	1,252
Land titles assurance fund (Note 6)	34	33
Severance payable (Note 7)	316	256
Current portion of capital lease obligations (Note 8)	18	16
	2,521	3,545
Long-term severance payable (Note 7)	948	962
Capital lease obligations (Note 8)	25	43
	3,494	4,550
Equity		
Retained earnings	6,759	3,933
	$ 10,253	$ 8,483

Commitments (Note 8)

See accompanying notes to the financial statements.

The Property Registry
An Agency of the Special Operating Agencies Financing Authority - Province of Manitoba
Statements of Earnings and Retained Earnings

(In Thousands)

Year Ended March 31		2003		2002
Revenues				
Land transfer tax (Note 9)	$	**15,374**	$	13,659
Fee revenue - Land Titles		**9,884**		8,833
Fee revenue - Personal Property Registry		**5,862**		5,640
Cost recoveries (Note 2)		**589**		580
Interest income		**118**		85
Loss on disposal of capital assets				(1)
		31,827		28,796
Less: Tax revenues transferred to Province		**(15,374)**		(13,659)
		16,453		15,137
Expenses				
Salaries and employee benefits		**7,427**		7,577
Operating expenses (Schedule 1)		**3,536**		3,595
Amortization		**168**		151
		11,131		11,323
Net earnings	$	**5,322**	$	3,814

Retained earnings, beginning of year	$	**3,933**	$	3,219
Net earnings		**5,322**		3,814
Net earnings paid to the Province of Manitoba		**(2,496)**		(3,100)
Retained earnings, end of year	$	**6,759**	$	3,933

See accompanying notes to the financial statements.

The Property Registry
An Agency of the Special Operating Agencies Financing Authority - Province of Manitoba
Statement of Cash Flows

(In Thousands)

Year Ended March 31	2003	2002
Increase (decrease) in cash and cash equivalents		
Cash flows from (used in) operating activities		
Net earnings	$ 5,322	$ 3,814
Amortization	168	151
	5,490	3,965
Changes in non-cash operating working capital		
Pension investment account		1,459
Customer deposits	88	22
Accounts receivable	2	24
Prepaid expenses	5	(2)
Due from Province of Manitoba		162
Accounts payable and accrued liabilities	(998)	1,081
Deferred revenue	(89)	(21)
Accrued pension costs		(1,598)
Land titles assurance fund deposits	1	(36)
Severance payable – current portion	60	
Severance payable – long term portion	(14)	36
	4,545	5,092
Cash flows from (used in) investing activities		
Purchase of capital assets	(119)	(146)
Cash flows from (used in) financing activities		
Obligations under capital lease	(16)	59
Net earnings paid to the Province of Manitoba	(2,496)	(3,100)
	(2,512)	(3,041)
Net increase (decrease) in cash and cash equivalents	1,914	1,905
Cash and cash equivalents		
Beginning of year	5,053	3,148
End of year	$ 6,967	$ 5,053

See accompanying notes to the financial statements.

1. Nature of organization

Effective April 1, 1997, the Lieutenant Governor in Council designated The Property Registry as a Special Operating Agency under The Special Operating Agencies Financing Authority Act. The order also directed the Special Operating Agencies Financing Authority (SOAFA) and the Minister of Consumer and Corporate Affairs to enter into a management agreement with respect to The Property Registry. The Property Registry was established to operate the Land Titles and Personal Property Registry offices on a self-sustaining financial basis while providing a standard of service that will meet the needs of its clients.

The Property Registry is part of the Department of Finance under the general direction of the Assistant Deputy Minister for Consumer and Corporate Affairs, who is also Chairperson of The Property Registry's Advisory Board. The Property Registry remains bound by relevant legislation, regulation and administrative policy as specified in its operating charter.

The Property Registry's financial contribution to the Province of Manitoba is included in the Manitoba Estimates of Revenue - Crown Corporations/Entities.

2. Summary of significant accounting policies

Basis of reporting

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles applied on an accrual basis.

Capital assets

Capital assets are recorded at cost and amortization is computed using the straight-line method based on remaining estimated useful lives, after allowance for salvage value, where applicable. Capital assets transferred to The Property Registry at April 1, 1997 each have estimated remaining useful lives of up to five years and were valued at their remaining unamortized capital cost at that date, which represents the acquisition cost for The Property Registry. Therefore, the effective rate of amortization for those older capital assets may exceed the annual rates noted below:

Computer system	20% (10% in year of acquisition)
Office equipment	20%
Leasehold improvements	20%
Equipment under capital lease	20% (10% in year of acquisition)

2. Summary of significant accounting policies - continued

Cash and cash equivalents

Cash and cash equivalents include cash on hand, balances with banks and short term deposits with original maturities of three months or less.

Cost recoveries and fee waiver

Included in revenues are recoveries of costs or fee equivalent for services provided to other provincial government offices where no statutory provision precludes cost recovery.

Use of estimates

In preparing the Company's financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the period. Actual results could differ from these estimates.

Financial instruments

The Agency's financial instruments consist of cash and short-term investments, customer deposits, accounts receivable, prepaid expenses, accounts payable and accrued liabilities, deferred revenue, land titles assurance fund, severance payable and capital lease obligations. Unless otherwise noted, it is management's opinion that the Agency is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximate their carrying values, unless otherwise noted.

3. Accounts receivable

The following items are included in accounts receivable:

	2003	2002
Trade receivable	$ 87	$ 78
Receivable from government and departments	16	27
	$ 103	$ 105

4. Due from Province of Manitoba

The receivable from the Province of Manitoba is for vacation entitlements earned by the employees of certain agencies prior to their designation as Special Operating Agencies (SOAs). It also includes severance pay benefits earned by SOA employees to March 31, 1998. The balance is comprised of:

	2003	2002
Vacation entitlements	$ 546	$ 546
Severance pay benefits	1,076	1,076
	$ 1,622	$ 1,622

The timing of the collection of these receivables will vary for each SOA. The receivable, or portion thereof, for an individual SOA will be collected in the event that there is a cash shortfall. However, this is only likely to happen on the dissolution of an SOA.

5. Capital assets

	Cost	Accumulated Amortization	2003 Net Book Value	2002 Net Book Value
Computer system	$ 247	$ 116	$ 131	$ 113
Office equipment	429	307	122	139
Leasehold improvements	187	143	44	80
Equipment under capital lease	70	21	49	63
	$ 933	$ 587	$ 346	$ 395

6. Land titles assurance fund

Claims for loss as provided for in The Real Property Act are paid from this fund. The Agency's Land Titles Branch is responsible for the collection of deposits and the defence against claims on this fund. Claims in excess of the fund balance are paid out of the Consolidated Revenue Fund.

The Property Registry
An Agency of the Special Operating Agencies Financing Authority - Province of Manitoba
Notes to the Financial Statements

(In Thousands)
March 31, 2003

7. Severance payable

Effective April 1, 1998, the Agency began recording accumulated severance pay benefits for it's employees. The estimate of the liability was based on the method of calculation set by the Province.

The Province has accepted responsibility for the severance benefits accumulated by the Agency's employees to March 31, 1998. Accordingly, the opening severance pay liability balance as at April 1, 1998, calculated at $1,041 was completely offset by a receivable from the Province. There are no fixed terms for payment.

The receivable from the Province will only be collected, in whole or in part, in the event there is a cash short fall in the Agency. This is only likely to happen on the dissolution of the Agency.

An actuarial valuation report of the Agency's severance as at March 31, 2001, was completed in 2002. The liability as at March 31, 2001, was restated to $1,116 and the receivable from the Province was restated to $1,076 as a result of the actuarial valuation. The report provides a formula to update the liability on an annual basis. In accordance with the formula, the Agency's actuarial liability has been calculated to be $1,264 as at March 31, 2003.

8. Commitments

The Agency has entered into a Memorandum of Understanding with Manitoba Government Services (MGS) to lease its premises. The accommodation charges are established annually by MGS, and are based on its approved budget.

The Agency has also entered into agreements to lease equipment. These agreements carry various terms and conditions.

The estimated minimum lease payments for the premises and equipment in aggregate for each of the next five years are as follows:

	Capital Lease	Premises	Equipment	Total
2004	21	$ 835	$ 71	$ 927
2005	21	854	72	947
2006	5	874	74	953
2007		894	76	970
2008		915	78	993
Total minimum lease payments	47	$ 4,372	$ 371	$ 4,790
Less: Imputed interest	(4)			
Balance of obligations under capital leases	43			
Less: Current portion	(18)			
	$ 25			

The Property Registry
An Agency of the Special Operating Agencies Financing Authority - Province of Manitoba
Notes to the Financial Statements

(In Thousands)
March 31, 2003

9. Land transfer tax

Land transfer tax is administered and collected by The Property Registry. Tax collected less refunds issued is remitted to the Consolidated Revenue Fund of the Province of Manitoba. Adjustments and refunds of land transfer tax are paid out of Department of Finance under the advice of the Registrar General.

The Property Registry Schedule 1

An Agency of the Special Operating Agencies Financing Authority - Province of Manitoba

Operating Expenses

(In Thousands)

Year Ended March 31,	2003	2002
Better Systems Initiative	$ 650	$ 943
Computer processing	288	278
Department services	229	181
Desktop services	392	353
Equipment lease	49	56
Interest and bank charges	25	21
Occupancy costs	797	754
Office supplies and printing	196	204
POS costs		7
Postage and delivery	203	214
Professional fees	28	43
Publications and subscriptions	21	25
Records preservation project	194	61
Repairs and maintenance	79	76
Special surveys	70	63
Sundry	8	10
Survey remonumentation program	151	117
Telephone	79	85
Training and staff development	43	55
Travel	34	49
	$ 3,536	$ 3,595

The Property Registry

Schedule 2

An Agency of the Special Operating Agencies Financing Authority - Province of Manitoba

Public Sector Compensation Disclosure

(In Thousands)
Year Ended March 31, 2003

The Public Sector Compensation Disclosure Act requires all publicly funded bodies to disclose compensation to any employee or board member when such compensation exceeds $50,000 per annum. This information is as follows:

Employee	Position	Amount
Cavers, H. G.	Project Director, Business Services	$ 73
Cavers, R. G.	Release Manager	57
Crockatt, D.	Registrar, Personal Property Security	65
Davidson, R. E.	Senior Deputy District Registrar	84
Effler, B. C.	Deputy Registrar General, District Registrar	98
Fraser, G. R. S.	Examiner of Surveys	79
Fraser, J.	Deputy District Registrar	84
Johnston, B. G.	District Registrar	71
Kushniruk, J.	District Registrar	91
Lillie, G.	District Registrar	71
Lund, G. A.	Deputy Examiner of Surveys	68
Madsen, B. O.	Acting Director of Operations	52
Pauls, I	Database Administrator	63
Russel, C.	District Registrar	75
Schoen, F. N.	Deputy District Registrar	73
Shaw, C.	Manitoba Business Links Test Lead	51
Sims, E.	District Registrar	80
Stevenson, A.C.	Computer and Systems Coordinator	52
Strong, E.B.	Director, Finance and Systems	56
Wilson, R. M.	Registrar General and Chief Operating Officer	101

THE MANITOBA SECURITIES COMMISSION

Financial Statements

For the year ended March 31, 2003

BDO

BDO Dunwoody LLP
Chartered Accountants
and Consultants

THE MANITOBA
SECURITIES
COMMISSION

RESPONSIBILITY FOR FINANCIAL REPORTING

The Commission's management is responsible for preparing the financial statements and other financial information in the Annual Report. These financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles. The financial statements include amounts that are based on management's best estimates and judgments. The Commission's financial statements have been audited by BDO Dunwoody, independent external auditors.

The Commission maintains accounting and internal control systems to provide reasonable assurance that its financial information is reliable and accurate and that its assets are adequately protected.

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The Commission's management meets regularly to review the financial statements and accounting practices. The auditors have free and full access to management, if required to discuss results of their audit and their views on the adequacy of internal controls and the quality of financial reporting.

On behalf of management,

Donald G. Murray
Chair and C.E.O.

Robert B. Bouchard
Chief Administrative Officer

Roman Jaworsky
Controller

THE MANITOBA SECURITIES COMMISSION

Financial Statements

For the year ended March 31, 2003

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Telefax (204) 926-7201

Auditors' Report

To The Special Operating Agencies Financing Authority:

We have audited the balance sheet of **THE MANITOBA SECURITIES COMMISSION, An Agency of the Special Operating Agencies Financing Authority, Province of Manitoba** as at March 31, 2003 and the statements of income, retained earnings, reserve fund and cash flows for the year then ended. These financial statements are the responsibility of the Commission's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Commission as at March 31, 2003 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

BDO Dunwoody LLP

Chartered Accountants

Winnipeg, Manitoba
May 21, 2003

THE MANITOBA SECURITIES COMMISSION

Balance Sheet

(in thousands)

March 31	2003	2002
Assets		
Current Assets		
Cash and short-term deposits (Note 2)	$ 3,080	$ 3,048
Accounts receivable (Note 3)	35	87
Prepaid expenses	25	30
	3,140	3,165
Restricted short-term deposits (Note 4)	1,000	905
Receivable from the Province of Manitoba (Note 5)	269	269
Capital assets (Note 6)	302	487
	$ 4,711	$ 4,826
Liabilities and Equity		
Current Liabilities		
Accrued liabilities	$ 6	$ 47
Accrued vacation entitlements (Note 7)	195	159
Accrued salaries and benefits	47	38
	248	244
Severance pay liability (Note 8)	164	163
	412	407
Commitments (Note 9)		
Reserve Fund (Note 10) (Page 5)	1,000	905
Retained earnings (Page 5)	3,299	3,514
	4,299	4,419
	$ 4,711	$ 4,826

The accompanying summary of signficant accounting policies and notes are an integral part of these financial statements.

THE MANITOBA SECURITIES COMMISSION
Statement of Income
(in thousands)

For the year ended March 31	2003	2002
Revenue		
Fees	$ 8,442	$ 7,654
Interest	130	164
Miscellaneous	4	7
	8,576	7,825
Expenses		
Salaries and benefits	2,101	1,927
Operating expenses (Page 11)	910	889
Amortization - capital assets	185	181
	3,196	2,997
Net earnings for the year (Page 5)	$ 5,380	$ 4,828

The accompanying summary of signficant accounting policies and notes are an integral part of these financial statements.

THE MANITOBA SECURITIES COMMISSION

Statement of Retained Earnings

(in thousands)

For the year ended March 31		2003		2002
Retained earnings, beginning of year	$	3,514	$	4,421
Net earnings for the year (Page 4)		5,380		4,828
Disposition of surplus operating funds (Note 11)		(5,500)		(5,500)
Allocation to Reserve Fund		(95)		(235)
Retained earnings, end of year (Page 3)	$	3,299	$	3,514

The Statement of Reserve Fund

(in thousands)

For the year ended March 31		2003		2002
Balance, beginning of year	$	905	$	670
Allocation from retained earnings		95		235
Balance, end of year (Page 3)	$	1,000	$	905

The accompanying summary of signficant accounting policies and notes are an integral part of these financial statements.

THE MANITOBA SECURITIES COMMISSION

Statement of Cash Flows

(in thousands)

For the year ended March 31	2003	2002
Cash Flows from Operating Activities		
Net earnings for the year	$ 5,380	$ 4,828
Adjustment for		
Amortization - capital assets	185	181
	5,565	5,009
Changes in non-cash working capital		
Accounts receivable	52	(61)
Prepaid expenses	5	(19)
Accounts payable	-	(163)
Accrued liabilities	(41)	18
Accrued vacation entitlements	36	(16)
Accrued salaries and benefits	9	(13)
Severance pay liability	1	(1)
	62	(255)
	5,627	4,754
Cash Flows from Investing Activities		
Acquisition of capital assets	-	(36)
Transfer to restricted short-term deposits	(95)	(235)
	(95)	(271)
Cash Flows from Financing Activities		
Disposition of surplus operating funds	(5,500)	(5,500)
Net increase (decrease) in cash and cash equivalents	32	(1,017)
Cash and cash equivalents, beginning of year	3,048	4,065
Cash and cash equivalents, end of year	$ 3,080	$ 3,048

The accompanying summary of signficant accounting policies and notes are an integral part of these financial statements.

THE MANITOBA SECURITIES COMMISSION
Summary of Significant Accounting Policies

March 31

Basis of Reporting

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles.

Capital Assets

Capital assets are recorded at cost and amortized over their estimated lives as follows:

Office equipment	20% straight-line
Furniture and fixtures	20% straight-line
Leasehold improvements	10% straight-line
Computer hardware	20% straight-line
Computer software	20% straight-line

The half-year rule is used in the year of acquisition.

Revenue Recognition

Fees and cost recoveries are recognized when received. Investment income is recorded on the accrual basis.

Financial Instruments

The Commission's financial instruments consist of cash and short-term deposits, accounts receivable, restricted short-term deposits, amounts due from related parties, and accrued liabilities. It is management's opinion that the Commission is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values.

Use of Estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

1. Nature of Organization

Effective April 1, 1999 the Lieutenant Governor in Council designated the The Manitoba Securities Commission as a special operating agency under The Special Operating Agencies Financing Authority Act (C.C.S.M. c.S185) by Order in Council No. 144/1999. The Order also gave approval to the Special Operating Agencies Financing Authority and the Minister of Consumer and Corporate Affairs, being the Minister responsible for the Commission, at that time, to enter into a management agreement with respect to the Commission.

The Management Agreement between the Financing Authority and the Minister of Consumer and Corporate Affairs assigns responsibility to manage the assets transferred to The Manitoba Securities Commission in delivering regulated services to clients.

2. Cash and Short-term Deposits

The Commission invests all surplus cash in short-term deposits with the Province of Manitoba, which are made up of thirty, sixty and ninety day callable term deposits.

3. Accounts Receivable

	2003	2002
Accrued interest	$ 9	$ 5
Employee computer purchases	-	1
Trade	26	81
	$ 35	$ 87

4. Restricted Short-term Deposits

The Commission maintains separate short-term deposits with the Province of Manitoba to fund expenses which may arise with respect to the Reserve Fund (Note 10).

5. Receivable from the Province of Manitoba

The receivable from the Province of Manitoba is made up of vacation and severance pay entitlement earned by employees of the Commission prior to creation of the SOA as at April 1, 1999. This receivable, or portion thereof for the Commission, will be collected in the event there is a cash shortfall. However, this is only likely to happen on the dissolution of the Commission.

6. Capital Assets

	2003		2002	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Office equipment	$ 26	$ 10	$ 26	$ 5
Furniture and fixtures	124	61	124	36
Leasehold improvements	113	34	113	23
Computer hardware	117	93	117	70
Computer software	603	483	603	362
	$ 983	$ 681	$ 983	$ 496
Cost less accumulated amortization		$ 302		$ 487

7. Accrued Vacation Entitlements

The Commission follows the policy of the Department of Finance to recognize the vacation entitlement liability accumulated to March 31, 1999. The liability at this date is offset by a receivable from the Province and was $117 as at March 31, 1999. Any subsequent changes to the entitlement are reflected as a current year expense to the Commission. As at March 31, 2003 there was an increase to the entitlement in the amount of $36. The accrued vacation entitlement was $195 as of March 31, 2003 (2002 - $159).

8. Severance Pay Liability

Effective April 1, 1999, the Commission began recording accumulated severance pay benefits for its employees. The estimate of the liability at that time was based on an actuarial valuation report.

The Province has accepted responsibility for the severance benefits accumulated by the Commission's employees to March 31, 1999. Accordingly, the opening severance pay liability balance as at April 1, 1999 calculated at $152 was completely offset by a receivable from the Province.

The report provides a formula to update the liability on an annual basis. In accordance with the formula, the Commission's actuarial liability has been calculated to be $164 as at March 31, 2003 (2002 - $163).

9. Lease Commitment

The Commission has not entered into a lease agreement with the Province of Manitoba for rental of facilities at 405 Broadway. Occupancy charges for the year ended March 31, 2003 were $140.

10. Reserve Fund

The Commission has established a Reserve Fund to finance extraordinary expenses for isolated and unanticipated purposes that are regulatory in nature, and for changes in market activity that have an effect on revenues. The intent is to fund the reserve, through an annual charge to retained earnings, over four years, until the Fund reaches an accumulated balance of $1 million. As at March 31, 2003, this accumulated balance has been realized.

11. Disposition of Surplus Operating Funds

The disposition of surplus operating funds consists of payments made to the Consolidated Revenue Fund of the Province of Manitoba according to Treasury Board Directives.

THE MANITOBA SECURITIES COMMISSION
Schedule of Operating Expenses
(in thousands)

For the year ended March 31

		2003	%		2002	%
Contract services	$	332	37	$	271	30
Premises		140	15		119	13
Office materials and supplies		88	10		105	12
Professional services		87	10		87	10
Travel		66	7		62	7
Telecommunications		59	6		54	6
CSA initiatives		41	5		84	9
Research resources		30	3		26	3
Education/Information initiatives		26	3		18	2
Staff development		18	2		33	4
Miscellaneous		13	1		23	3
Professional membership and dues		10	1		7	1
	$	910	100	$	889	100

THE MANITOBA SECURITIES COMMISSION

Schedule of Public Sector Compensation Disclosure

(in thousands)

For the year ended March 31

Employee	Title	Compensation
Don Murray	Chairman & CEO	$ 117
Bob Bouchard	CAO & Director of Capital Markets	86
Doug Brown	Director of Legal & Enforcement & Secretary to the Commission	97
Jim Storsley	Registrar - Real Estate	117
Glen Lillies	Compliance Officer	53
Chris Besko	Assistant Legal Counsel	77
Kim Laycock	Assistant Legal Counsel	77
Steven Gingera	Assistant Legal Counsel	70
Roman Jaworsky	Controller	52
Wayne Bridgeman	Senior Analyst	52
William Baluk	Deputy Registrar - Compliance	52
Chris Kowalski	Deputy Registrar - Real Estate	52
Jan Banasiak	Investigator	60
Marc Boily	Investigator	75
Jason Roy	Investigator	52
Isilda Tavares	Registration Officer	52

The Public Sector Compensation Disclosure Act requires all publicly funded bodies to disclose compensation to any employee or board member when such compensation exceeds $50 per annum.

Includes 15% post-consumer waste